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JUSTICE DEPARTMENT

Improved Management Processes Would Enhance Justice's Operations

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Comptroller General
of the United States

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To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the need to strengthen the Department of Justice's management structure and management support systems. The report, which is part of a series, results from GAO's reviews of the management of major departments and agencies.

On April 26, 1985, we briefed Attorney General Meese on the results of our work. Subsequently, the Attorney General, based upon his assessment, took action to improve management within the Department. In addition to specific recommendations for improving management, the report also provides for the Attorney General's consideration three organizational options for enhancing the Department's central management.

We are sending copies of this report to the Attorney General; the Director, Office of Management and Budget; interested congressional committees and subcommittees; and individual members.

Charles A. Bowsher

Comptroller General
of the United States

Executive Summary

This report on the Department of Justice is one of several that GAO is issuing on the general management of major agencies. By relating managerial problems to major programs, GAO demonstrates how improvements would enhance the Attorney General's ability to oversee program operations and more efficiently manage the Department.

Background

The Attorney General faces a formidable task in managing the Nation's principal law enforcement agency. Justice faces such important challenges as combatting illegal drug trafficking, investigating criminal violations, policing the Nation's borders, housing convicted criminals, and representing the government in a burgeoning volume of civil litigation. In fiscal year 1986, the Department received over $3.9 billion to fund its worldwide operations conducted by over 63,000 employees.

The Department's missions are accomplished by 31 offices, boards, divisions, and bureaus that traditionally have been managed as a loose confederation. Past Attorneys General have generally concentrated on legal and related law enforcement issues during their tenures, devoting less attention to management issues. There has been increasing recognition within the Department, however, that its components must work together more to achieve their interrelated missions. The Attorney General also faces continuing expectations from the Congress and OMB to manage with a total Department, or systems, perspective.

The Department has had many mission successes and a longstanding reputation for professionalism and dedication. The Department's tasks have become more complex, thus placing increasing importance on the introduction of managerial systems to support these tasks. To demonstrate how existing management systems affect the Attorney General's ability to meet these challenges, GAO reviewed seven functional areas (planning and budgeting, personnel, productivity, procurement, financial management, information resource management, and audit and evaluation) and three departmental programs: Organized Crime Drug Enforcement Task Forces, Asset Seizure and Forfeiture, and Legal Process Debt Collection. GAO also retained as consultants several former Department policy-level officials.

Results in Brief

GAO briefed Attorney General Meese on April 26, 1985, 2 months after his appointment, on management issues affecting his ability to direct, monitor, and control operations to achieve his priorities. On June 14, 1985, based upon his assessment, he established the Department

Resources Board, comprised of top level policy officials, to develop an integrated management system. The Board's mandate encompasses management issues that GAO highlighted in April. These issues include the need for

- an institutional capability to (1) set long-range goals, (2) assess component program planning and implementation, and (3) ensure proper allocation of resources;
- effective departmental planning for major investments in information systems;
- sustained attention to improving the Department's financial systems; and
- better use of available management systems and processes to identify opportunities to improve operational efficiency and effectiveness.

Responsibility for developing these management systems should be clearly assigned because (1) Attorneys General have traditionally concentrated on specific legal issues during their average 23 months in office and (2) the successful implementation of an integrated management system will require a long-term commitment.

Principal Findings

Develop Planning and Programming Processes

Justice needs an institutional process for developing long-range departmental goals to guide its program planning and budgeting decisions. The Department also needs an established entity or means for overseeing the components' program planning to ensure that Attorney General priorities are adequately addressed. The Department has typically relied on ad hoc approaches and has encountered difficulties in planning and implementing program initiatives.

For example, absent an established entity for program planning, the Attorney General turned to a small group of senior department-level officials to develop the Organized Crime Drug Enforcement Task Force Program. While this group succeeded in developing the program, the development effort limited their attention to other duties. In another area, responsibilities for overseeing the Department's debt collection activities remain unclear 4 years after OMB found the lack of central oversight to be a problem. (See pp. 28 to 35.)

Develop Stronger Information Resource Management

Justice needs to implement a departmentwide program to ensure that automated data processing and telecommunications techniques are planned for, acquired, and used effectively and economically. Strengthened control is important because this area involves more than 11 percent of the Department's fiscal year 1985 budget and investments of almost $1.3 billion over the next 5 years. Stronger central management could have helped to achieve (1) the 8-year old objective of developing a departmental litigative case management system to provide basic program data and (2) potential economies of over $36 million through the consolidation of five telecommunications networks. (See pp. 35 to 37.)

Improve Financial Management

The Financial management systems within Justice do not properly account for and control resources and permit adequate monitoring of program performance. For example, the system that accounts for more than $150 million in seized and forfeited assets cannot produce reliable information.

Responding to OMB requirements and to its own negative certification of accounting systems, the Department has developed a financial management plan and has embarked on a sound approach to improve its financial environment. (See pp. 37 to 40.)

Better Assess Efficiency and Effectiveness

Justice also could better use the following processes for assessing the efficiency and effectiveness of its operations:

- audit and evaluation to assess program effectiveness,
- position management reviews to identify opportunities for staffing efficiencies,
- productivity management to identify and follow-up on opportunities for efficiencies, and
- senior executive performance appraisals to set accountability for performance improvement. (See pp. 41 to 49.)

Recommendations

GAO recommends that the Attorney General clearly assign responsibility for the general management functions needed to support an integrated management system and suggests three options for his consideration. GAO also makes a number of recommendations to the Attorney General for improving the management systems used to plan, coordinate, and

direct departmental programs and assess the appropriate distribution, use, and control of resources. (See pp. 50 to 53.)

Agency Comments

The Department generally agreed with the report's conclusions and strongly supported almost all of GAO's recommendations. The Department, however, deferred endorsing GAO's organizational options for strengthening central management within the agency. Justice described several improvements, either already implemented, planned, or underway, that would help correct many of the deficiencies cited in GAO's report.

The Department disagreed with GAO's recommendation to organizationally realign Justice's Audit Staff and reiterated its opposition to the establishment of an Inspector General for the agency. GAO continues to believe that Justice can benefit from (1) placing the audit group under the Attorney General's control and (2) having an Inspector General mandated by statute. (See pp. 53 to 56.)

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Abbreviations

ADP	Automatic Data Processing
AFF	Assets Forfeiture Fund
BOP	Bureau of Prisons
CSRA	Civil Service Reform Act
DEA	Drug Enforcement Administration
DOJ	Department of Justice
DOL	Department of Labor
DRB	Department Resources Board
EOUSA	Executive Office for U.S. Attorneys
EPA	Environmental Protection Agency
FAMIS	Financial and Administrative Management Information System
FBI	Federal Bureau of Investigation
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
INS	Immigration and Naturalization Service
IRM	Information Resources Management
JMD	Justice Management Division
JTN	Justice Telecommunications Network
LAN	Local Area Networks
NASAF	National Asset Seizure and Forfeiture
OCDETF	Organized Crime Drug Enforcement Task Force
OIT	Office of Information Technology
OLP	Office of Legal Policy
OMB	Office of Management and Budget
PROMIS	Prosecutors' Management Information System
SES	Senior Executive Service
USA	U.S. Attorneys' Offices
USMS	U.S. Marshals Service

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Objectives, Scope, and Methodology

We reviewed the management systems of the Department of Justice as part of a series of reviews focusing on the need for management improvement within federal agencies. Our overall objective was to assess departmentwide management systems and administrative support functions. Our goal was to develop recommendations specifying how top management can bring about and sustain any needed improvements.

Chapter two of this report provides background on Justice's organization and resources and describes the managerial challenges facing the Attorney General. Chapter three summarizes our findings on the condition of the management systems supporting the Attorney General, and chapter four discusses recommendations for improvement. A more detailed discussion of our findings and recommendations in selected program and administrative management areas is included in the appendixes to this report.

We reviewed Justice's management systems to assess how they assist the Attorney General in directing and overseeing the Department's operations. We divided these systems into seven groups: policy, planning, and budgeting systems for providing management direction and monitoring performance; administrative support systems of information resources management, financial management, personnel, and procurement, which are necessary for effective program delivery and control; and departmental capabilities to review the efficiency and effectiveness of operations through audit and evaluation and productivity management.

We also examined the following priority departmentwide initiatives, to determine how management system problems affect the Attorney General's direction and control of program operations:

- The Organized Crime Drug Enforcement Task Force (OCDETF) Program, a major nationwide effort to coordinate federal law enforcement resources against illegal drug trafficking;
- The National Asset Seizure and Forfeiture (NASAF) Program, a program to deprive lawbreakers of the financial resources resulting from their crimes; and
- The Legal Process Debt Collection Program, in which the DOJ serves as litigator for the collection of multibillions in civil and criminal debts owed the government.

Our audit work, conducted between May 1984 and May 1985, was performed in accordance with generally accepted government audit standards and involved

- reviews of reports issued by GAO and others during the last several years on Justice activities and programs;
- discussions with officials in the Offices of the Attorney General, Deputy Attorney General, and the Associate Attorney General; and
- interviews and review of records in the Justice Management Division (JMD), Drug Enforcement Administration (DEA), Federal Bureau of Investigation (FBI), Immigration and Naturalization Service (INS), Bureau of Prisons (BOP), Executive Office for U.S. Attorneys (EOUSA), Civil Division, Criminal Division, Tax Division, U.S. Marshals Service (USMS), and Office of Justice Programs.

Audit work was also conducted in some of these components' regional and district offices in seven states—California, Florida, Maryland, New York, Texas, Vermont, and Virginia. These locations were selected to provide geographic representation of DOJ offices.

We also retained as consultants five former top officials of the Department and law enforcement experts. In addition, a panel composed of members of the National Academy of Public Administration advised our study team. To further broaden our perspective of DOJ management systems and processes, we interviewed 14 other former high-level DOJ officials and several congressional staff members.

We briefed Attorney General Meese on April 26, 1985, 2 months after his appointment, on management issues affecting his ability to direct, monitor, and control operations to achieve his priorities.

The Challenge of Managing the Department of Justice

The Attorney General faces formidable challenges as the Nation's chief law enforcement officer and as the executive of a large, diverse, and widely dispersed department faced with major program responsibilities. While the Department's offices, boards, divisions, and bureaus have traditionally operated in a decentralized manner, there is increasing recognition within the Department that coordinated management of Justice's 31 components offers the potential for improved operating efficiency and effectiveness. In addition, the Attorney General faces expectations from the Congress and Office of Management and Budget to improve departmental management capabilities. We reviewed Justice's management systems and processes to assess how they could better assist the Attorney General in directing and overseeing the Department's programs and operations.

The Attorney General As Chief Law Enforcement Officer

As the Nation's chief law enforcement officer, the Attorney General (1) provides legal advice to the President and the heads of executive departments and agencies; (2) represents the United States in legal matters; (3) sets law enforcement policy and priorities for the FBI, DEA, BOP, USMS, and INS; and (4) recommends candidates to the President for appointment to federal judicial positions as well as others for presidential appointment to positions within Justice.

As lawyers, Attorneys General are inclined to focus upon specific legal issues and cases. Issues that have received considerable time and attention from recent Attorneys General include criminal code and grand jury reform and guidelines covering FBI domestic security and foreign counterintelligence investigations. Although only 14 percent of the Department's personnel resources are devoted to the litigation/prosecution function, these activities command a substantial share of the Attorney General's attention. Each Attorney General must choose from competing demands for his time and allocate his energies accordingly.

The Attorney General As Policymaker and Manager of the Department of Justice

Beyond his many roles as lawyer, presidential advisor, and law enforcement officer, the Attorney General oversees a large, decentralized department. The vast majority of the Department's resources are expended in the pursuit of its missions of investigations/enforcement, detention/corrections, and assisting state and local law enforcement. These missions pose diverse and complex policy formulation and management tasks, including

- combatting the ever-increasing availability of illegal drugs in the United States—drug seizures in fiscal year 1984 totaled over 1.4 million kilograms of heroin, cocaine, marijuana, and hashish and 13.9 million dosage units of other dangerous drugs;
- detecting and prosecuting espionage, treason, and terrorism within the United States;
- leading federal efforts to investigate and prosecute fraud against the government, which can range from fraud in major defense contracts to fraudulent application for Medicare payments;
- stemming the tide of illegal immigration—more than 1.1 million illegal aliens were apprehended in 1984; and
- maintaining a nationwide prison system that is about 41 percent over capacity and projects a daily inmate population of 36,569 during fiscal year 1986.

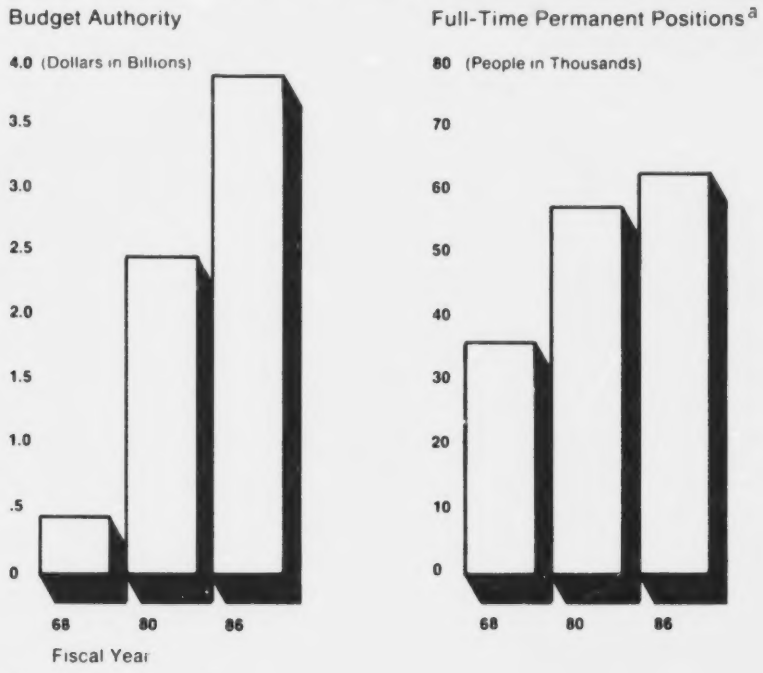
Attorney General Management Is Constrained by Organizational Structure and Dependent Upon Information Technology

Managing the wide range of Department program activities is a challenging task. The Department's operations are dispersed and dependent on information technology. Its decisionmaking is traditionally decentralized, with operational control resting in the offices, boards, divisions, and bureaus. Attorneys General, who have averaged less than 2 years in office since 1969, have little time to come to grips with this complex bureaucracy.

Since 1968, when the Department last assumed a new major program responsibility, the combat of illegal drug trafficking, it has experienced significant resource growth—a 79 percent increase in personnel and an 803 percent increase in funding.[1] This growth has called for more attention to the management systems needed to direct and control operations. (See figure 2.1.)

[1]Funding increase was 280 percent when adjusted for inflation.

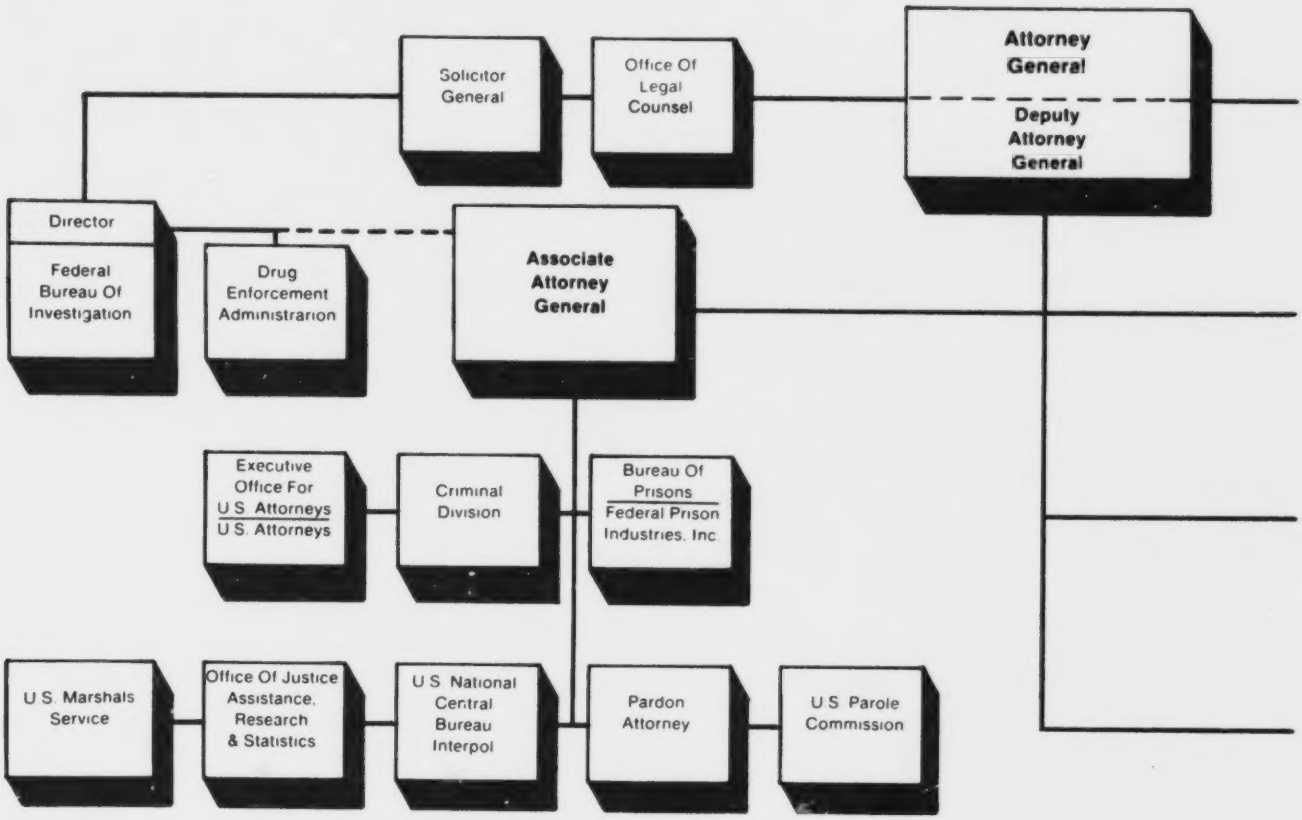
Figure 2.1: Changes in DOJ Staffing and Budget for FY 1968, 1980, and 1986



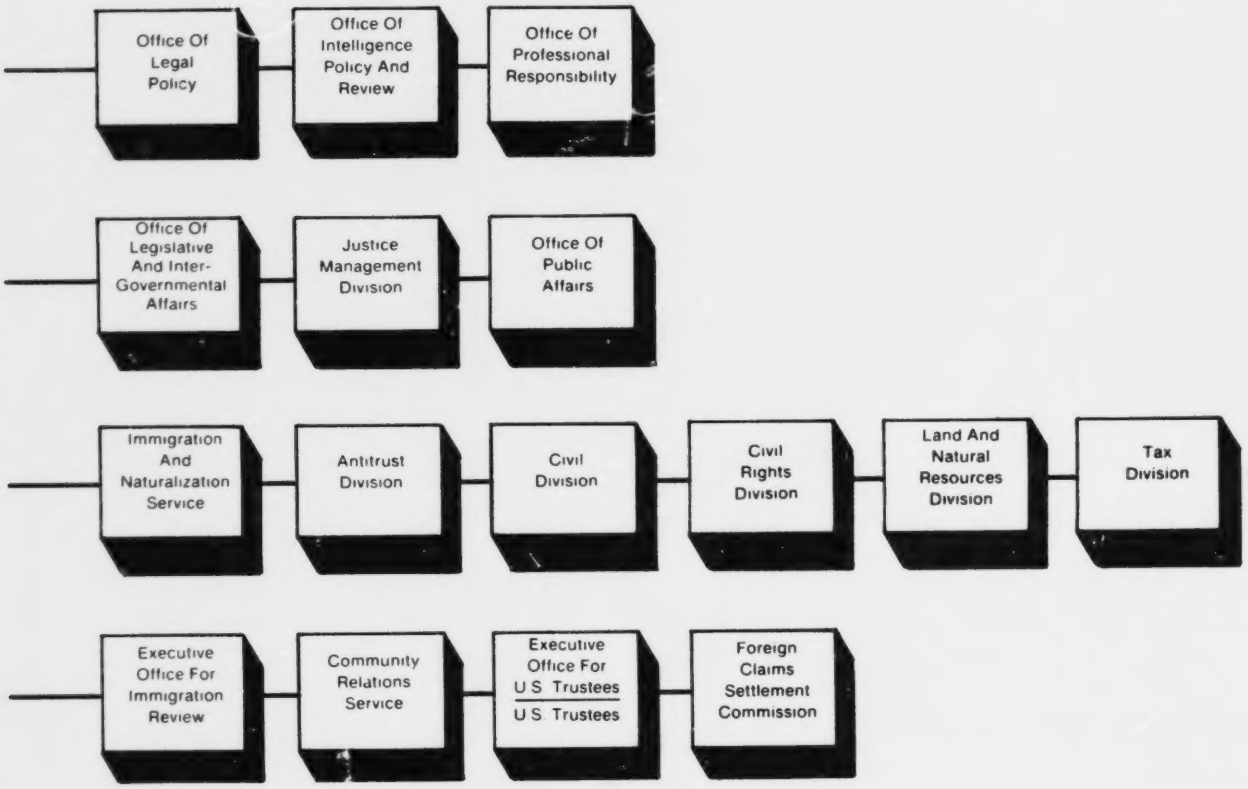
[a]Figures Don't Include Reimbursements

The Department's program activities are pursued by 31 components, consisting of 15 offices, 7 divisions, 6 bureaus, and 3 boards. (See figure 2.2.) For fiscal year 1986, the Department received over 63,000 positions and $3.9 billion in budget authority for Department activities (including administrative support costs).

Figure 2.2: Organization of the Justice Department

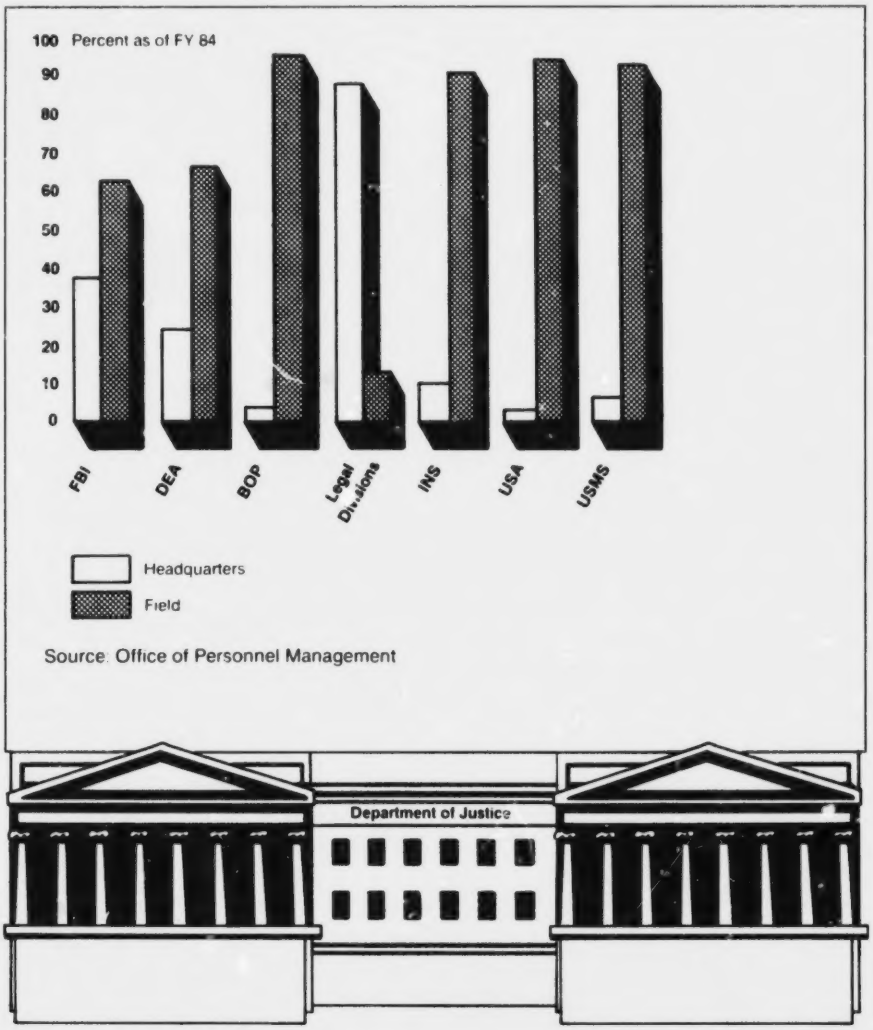


As Of 1/24/84


Office Of Legal Policy
Office Of Intelligence Policy And Review
Office Of Professional Responsibility
Office Of Legislative And Inter-Governmental Affairs
Justice Management Division
Office Of Public Affairs
Immigration And Naturalization Service
Antitrust Division
Civil Division
Civil Rights Division
Land And Natural Resources Division
Tax Division
Executive Office For Immigration Review
Community Relations Service
Executive Office For U S Trustees
U S Trustees
Foreign Claims Settlement Commission

The Department's law enforcement mission requires it to maintain an extensive field structure that is dispersed both nationwide and overseas. (See table 2.1) Over 75 percent of the Department's personnel resources are located in the field. (See figure 2.3.)

Figure 2.3: Percentage of Headquarters and Field Employees at DOJ and Selected Components



To some extent, the Attorney General's control over the configuration of this field structure is constrained. The Congress created a total of 94

judicial districts and required the appointment of a U.S. attorney and U.S. Marshal for each district. The Department's principal investigative offices, the FBI and DEA, have consequently aligned their 78 field offices with the prosecutive and judicial structure. This widely dispersed field structure poses challenges to Attorneys General who are responsible for establishing and ensuring uniform application of policy.

Table 2.1: DOJ Worldwide Operations[a]

	Components					
	FBI	DEA	INS	BOP	USMS	USA
U.S. Based						
Regional offices	•	•	4	5	•	•
Field district offices	59	19	53	46[b]	94	94
Sub-offices	400	101	162[c]	37[e]	129	192[d]
Overseas	13	61	17	•	•	•

[a]For selected components. Other components with dispersed field structures include the U.S. Parole Commission; Community Relations Service; the Criminal, Civil, Tax, Lands, and Antitrust Divisions; Executive Office for Immigration Review; U.S. Trustees; and the Justice Management Division.

[b]Includes BOP institutions and facilities.

[c]Includes INS border patrol sectors, border patrol substations, and regional adjudication centers.

[d]Includes 82 staffed branch offices and 110 unstaffed offices.

[e]Includes 3 staff training centers and 34 community program offices.

Management of information resources is also critical to the operation of the Department's programs. The maintenance and processing of litigative, investigative, and immigration records is a major activity. Twenty telecommunications systems tie together the Department's widely dispersed field operations. The Department requested more than $445 million—over 11 percent of its total fiscal year 1985 budget—for automated data processing and telecommunications support. Over the next 5 years, Justice estimates it will devote almost $1.3 billion to managing and enhancing these systems.

Decentralized Operations Foster Managerial Discretion

The Department's components have traditionally exercised discretion in planning and conducting program operations. A number of studies of the Department describe a pattern of decentralized decisionmaking and relative component autonomy in terms of program management.[2]

[2]Glen E. Pommerening, Chairman, Management of the Department of Justice (Washington, D.C., U.S. Department of Justice, Sept. 24, 1973); Richard S. Stillman, "The Bureaucracy Problem at DOJ," Public Administration Review, Vol. 36, No. 4 (July/August 1976), pp. 429-439; James Eisenstein, Counsel for the United States, U.S. Attorneys in the Political and Legal Systems (Baltimore: The Johns Hopkins University Press) 1978, pp. 1-13; Daniel Meador, The President, the Attorney General

The significance and diversity of the programmatic challenges, the field focus of much of the work, the size of the components, as well as traditions developed over time, have all contributed to decentralized decisionmaking. For example:

- The FBI, the Department's largest component, represents a major management task, requiring its own management processes and administrative support structure. It pursues more than 200 categories of investigative activity. Some activities, such as espionage, anti-terrorism, undercover investigations of major organized criminal activity, and sensitive investigations involving public figures, call for great secrecy and security from inadvertent exposure. Pursuit of its mission requires considerable discretion on the part of field agents who also must comply with both departmental guidelines and FBI headquarters policies. In addition to its investigative work, the FBI provides an extensive range of services, such as fingerprint identification; investigative record checks; and crime laboratory analyses to federal, state, and local governments as well as private organizations. Its fingerprint identification division alone employs about 2,500 persons and presents a major management task because of its enormous workload.
- The U.S. attorneys are presidential appointees, subject to removal only by the President. They possess a considerable degree of operating independence by virtue of their stature in the local community and the expectation that they will address the crime conditions within their jurisdictions. As a result, U.S. attorneys exercise significant discretion in prosecutive policies and the management of their offices.
- The U.S. Marshals require considerable managerial discretion to balance the requirements of supporting the federal courts by providing court security for thousands of federal judges and other courtroom personnel and managing such Justice Department programs as providing security for over 4,000 federally protected witnesses and their families, annually transporting thousands of federal prisoners, and pursuing fugitives from justice.

Executive Turnover

Turnover at the senior policy level makes it difficult to maintain management direction and control initiatives. This problem takes on added significance given that Justice has over 221 political appointees—more

and the Department of Justice (University of Virginia, 1980), pp. 17-18, pp. 127, 143 and 146; and James Hoobler, Management by Objectives in the Department of Justice, Theoretical Constructs and Real World Problems Associated with the Evolution of a Formal Management System in a Major Federal Department (Dissertation, University of Maryland, 1980), pp. ii-iii, pp. 5-9, 12-14, 18, 20, & 22.

than most federal agencies—including such members of the Attorney General's management team as the Deputy Attorney General (the Deputy), the Associate Attorney General (the Associate), and most component heads. Statistics show that, since 1969, Attorneys General have averaged 23.3 months in office, Deputies 13.5 months, and Associates 18.6 months.

Rapid turnover can cause problems in management and program continuity. According to the Task Force of the President's Private Sector Survey on Cost Control, "It is not possible to implement and sustain meaningful management improvement in an environment characterized by persistent changes in management." Several former Justice officials expressed their concerns over the lack of continuity in Department management. One former official expressed the view that no management institutions survive from one administration to another as new managers are brought in and old policies are discarded.

Recognized Need for Improved Departmental Management

Although the Department's diverse programs are essentially managed with considerable discretion by the components, there has been recognition of the interdependency among the components' operations and the need to coordinate and manage their activities in an integrated manner.[3]

Except for the courts, the Department contains all the elements of the federal criminal justice system. An increase in one organization's activities oftentimes results in a subsequent increase in workload for one or more other components. For example, the investigative and enforcement activities of the FBI, DEA, and INS affect the U.S. attorneys, the Department's litigating divisions and boards, and the U.S. Marshals Service. The resulting criminal caseload subsequently affects the federal courts and eventually places additional pressures on the U.S. Marshals and BOP to house offenders.

The diversity and interdependence of missions poses a significant challenge to Justice's management. A decision to increase resources or to modify policies for one organization also places resultant pressures on other organizations. As a result, Justice management must attempt to identify and plan for any system delays, dislocations, and/or failures

[3]For example, see Richard E. Cohen, "Justice Report/Richardson Moves to Assert His Control of Watergate-Shaken Justice Department," The National Journal (July 14, 1973); Richard J. Stillman, "The Bureaucracy Problem at DOJ," Public Administration Review, Vol. 36, No. 4 (July/August, 1976); and James Hoobler (Dissertation, University of Maryland, 1980), pp. ii-iii, pp. 5-9, 12-14, 18, 20, & 22.

that would negate the expected benefits of new resources or modified policies.

Since the early 1970s, various officials within the Department have recognized the need for an integrated management system. Recently, former Attorney General Smith reaffirmed the validity of this concept. In a report to DOJ employees he said

"...more than a collection of people and functions, a department is a way of approaching problems with some sense of cohesion and thoughtfulness. . . . If this is to be truly a department, each unit's successes must make sense in the context of the larger whole."

This concept was the foundation of the Organized Crime Drug Enforcement Task Force initiative aimed at achieving a balanced, coordinated federal law enforcement effort against illegal drug trafficking and the Criminal Justice System Budget Hearings, conducted during 1982 and 1983, which were held to assess how one component's program budget proposals could affect the operations of other organizations within the criminal justice system.

Most recently, Attorney General Meese has acknowledged the importance of departmental management through his creation in June 1985 of a Department Resources Board with the mandate to develop a planning, programming, and budget system in the Department to ensure an integrated approach to management that would emphasize long-range issues.

External Requirements for Departmental Management

While there has been some acknowledgement within the Department of the need to coordinate the management activities of the 31 components, the Attorney General faces external requirements, in the form of legislation and recent presidential initiatives, to strengthen departmental management processes. Examples of such initiatives follow:

- The Paperwork Reduction Act of 1980 (P.L. 96-511) emphasizes strong central departmental management of costly information resources to avoid duplication and create efficiencies in the use of information resources.
- The Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255) requires the head of each agency to report on internal controls in place to protect against fraud, waste, and abuse.

- The Office of Federal Procurement Policy Act Amendments of 1983 (P.L. 98-191) and Executive Order 12352 mandate the development of departmentwide procurement systems under the direction of a senior procurement executive.
- OMB Circular A-127 prescribes that each agency establish and maintain a single, integrated financial accounting system which may be supplemented by subsidiary systems.
- OMB Bulletin No. 84-14, June 1984 requires that each department/agency report to OMB about its management improvements as part of its budget oversight process. As part of this process, OMB is conducting reviews of federal agencies to identify and track progress on major administrative support issues.

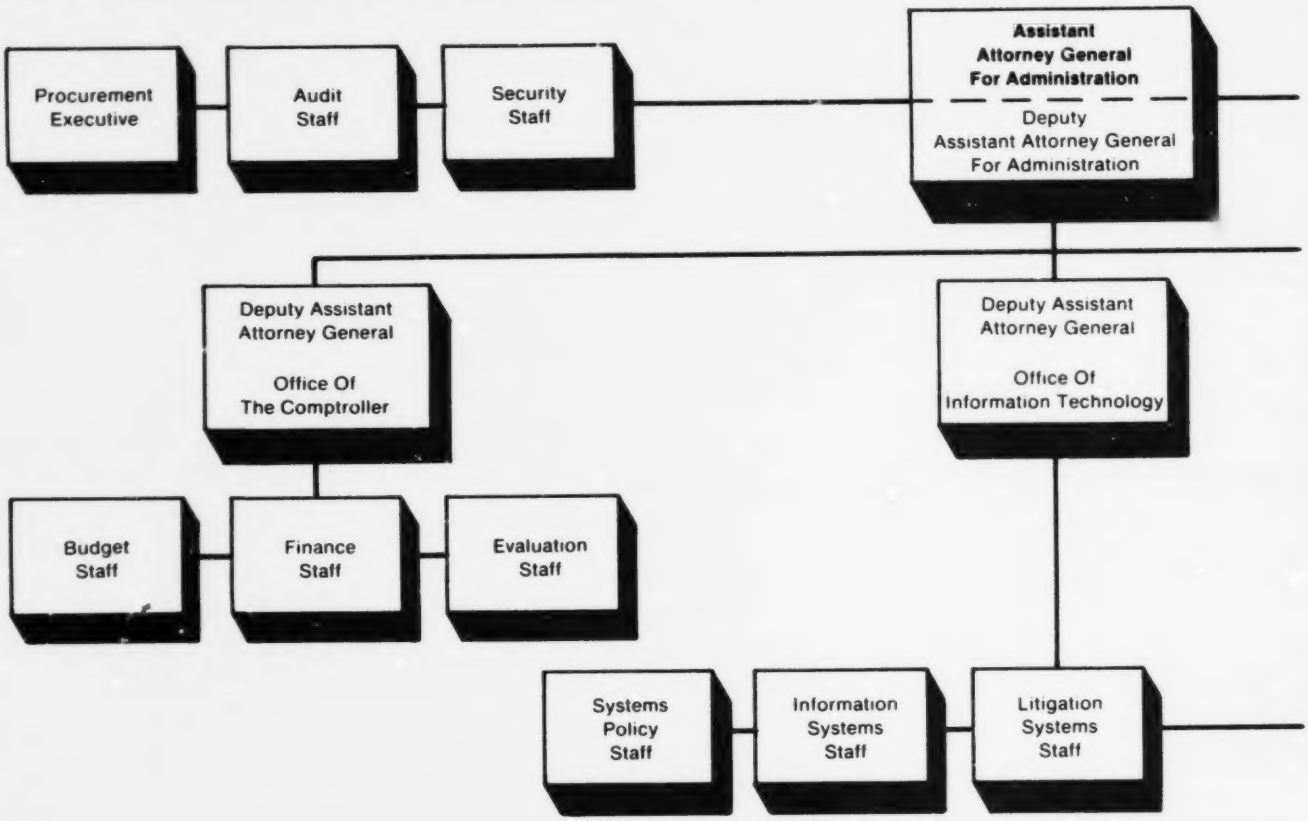
The Attorney General's Management Support

The Attorney General relies principally on the Deputy Attorney General and Associate Attorney General to assist him in providing executive direction and control over DOJ's wide-ranging activities. The division of responsibilities between the Deputy and Associate Attorneys General has varied, at times, because of the backgrounds of the persons filling these posts. At times, the Deputy and Associate have both reported directly to the Attorney General, dividing oversight responsibility for civil and criminal functions, depending upon their experience. At other times, the Associate has reported through the Deputy who in effect serves as the chief executive officer.

Other offices supporting the Attorney General include the Office of Legal Counsel, which assists the Attorney General in providing legal advice to the President and executive branch agencies; the Office of Legislative and Intergovernmental Affairs; and the Office of Legal Policy, which was established to plan, coordinate, and implement major policy initiatives. Each office is headed by an Assistant Attorney General.

The Justice Management Division (JMD), headed by the Assistant Attorney General for Administration, is the Attorney General's principal organization for management and administrative support. (See figure 2.4.) As such, JMD is responsible for establishing administrative policies, programs, and procedures to support the Department's mission in an effective and efficient manner. JMD also provides management, financial, and administrative assistance, including the operation of central administrative facilities and services, to the offices, boards, divisions, and to the bureaus as required, and provides for the internal review of Department activities to ensure compliance with federal laws and regulations and Department directives and policies.

Figure 2.4: Organization of the Justice Management Division



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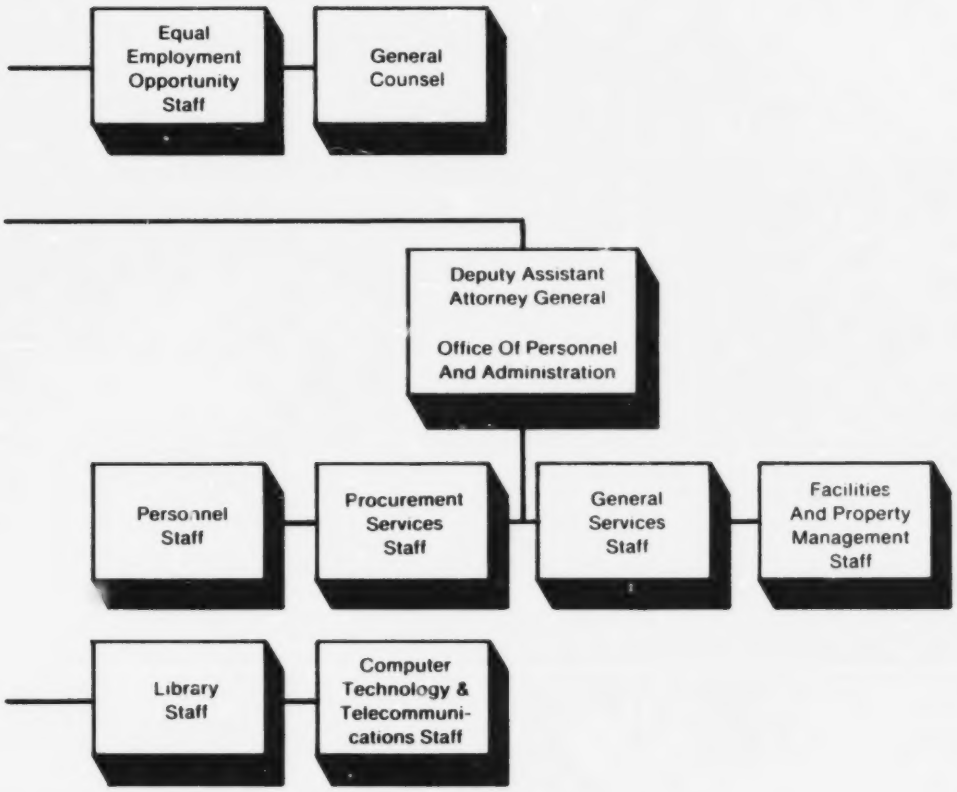

Although generally perceived as purely an administrative support or service organization, only half of all discrete JMD functions, according to JMD documents, support such service activities; the remaining half involve policy and program development for such service activities and other management assistance functions (budget formulation, evaluation, and audit), and liaison responsibilities.

Personal Perspectives on Departmental Management

The discussions we had with former departmental officials supply a personal and perhaps more understandable description of the perspectives of the Attorney General, Deputy Attorney General, and Associate Attorney General as senior policy officials and managers of the Department. These discussions provide a picture of busy executives who have concentrated on specific legal and related law enforcement issues with limited time, background, or inclination to devote their energies to management issues and with limited support capabilities for addressing management issues and/or problems.

These officials depict Attorneys General as persons generally preoccupied with legal issues and other related activities. A former special assistant to the Attorney General noted that Attorneys General are selected for their legal background and not for their management experience. He said individual cases and a variety of other important functions, such as reviewing candidates for appointment to the Supreme Court by the President, take priority over Department management issues. A former Associate Attorney General described the Attorney General as consumed by multiple demands on his time, leaving management of the Department to the Deputy and Associate.

The Deputy and Associate, however, generally share the same legal orientation as the Attorney General and also confront major demands on their time. One former Deputy said that while the Deputy Attorney General has prime responsibility for managing the Department, he has several non-management roles that require a great deal of time. Another former Deputy, having expressed his concerns over such management issues as the Department's computer systems and capacity for coordinating policy initiatives, described how the press of events prevented him from giving these issues the necessary attention. This former official went on to state that the key to the success of any departmental management effort is Attorney General and Deputy Attorney General support. A former Assistant Attorney General for Administration added his perspective that the components consume so much of the Deputy's time with their own issues or problems that the Deputy cannot devote sufficient time to managing with a departmental perspective.

The comments of former officials described a general disinclination by top Justice officers to address management issues. This follows in part from their legal backgrounds and predisposition to focus upon legal issues and selected cases. But it also suggests that short-term political appointees have limited incentives to spend time managing. A former

Deputy Attorney General who expressed this viewpoint described management as a process that inherently means cutting back activities and reallocating resources. This cutback and reallocation causes change, which results in dissension within the organization and the potential for congressional intervention. He further stated that this possible dissension and intervention offers little reward to an Attorney General whose status within the President's Cabinet is based upon the acceptance of his policy initiatives. A former Associate Attorney General, reflecting upon several management areas which he felt deserved attention but on which he did not act, said that given the short tenure of political appointees and the likely opposition from segments of the organization, appointed officials often decide that the management issues are not worth the fight.

The former officials provided a range of comments on the limited support available to the Attorney General and Deputy Attorney General to manage the Department and the difficulty faced by JMD operating within the Justice Department. A number of officials commented on the thinness of the staff support available to the top officials and the need for a strong staff capability to manage the Department. Some comments reflected an assessment that JMD does not have the organizational stature to provide the needed support. A former Deputy Attorney General said that because the Deputy's time is too often involved in nonmanagerial responsibilities, it is difficult to provide the Assistant Attorney General for Administration with the necessary support. One former special assistant to the Deputy asserted that JMD, a management assistance and administrative support organization, is always going to face challenges functioning in a lawyers' environment. Another official, describing the difficulty of selling management concepts, said that the political leadership of the Department is dominated by the legal profession and that there is a natural abhorrence of planning and management.

These views, expressed by officials who worked closely with seven Attorneys General, point to the challenges of developing and implementing departmental management systems and processes.

Improving Departmental Management Capabilities

If the Attorney General is to achieve an integrated management system to direct and control departmental operations, he will need capable staff support, as well as management systems and processes which will facilitate policy and program oversight. For example, the Attorney General will need to

- develop policy goals and a strategic plan to guide departmental operations, oversee component program planning activities, and monitor program operations to insure the accomplishment of both policy goals and program objectives;
- establish a central management capability for automated information systems to ensure that the Department's information resources are efficiently and effectively planned and implemented;
- formulate and implement a departmental management plan to address the many financial management systems problems; and
- make better use of available management processes in order to identify systematically opportunities for improving the Department's efficiency and effectiveness.

The strengthening of these departmental management processes should assist the Attorney General in formulating and monitoring his policy agenda and program priorities, as well as better controlling major initiatives such as

- the expenditure of $78 million for accounting system enhancements to generate more reliable and timely financial data,
- the development of a departmental telecommunications strategy for consolidating several existing telecommunications networks and saving $36 million or more over 10 years,
- the management of over $150 million in property seizures in connection with drug trafficking, and
- the collection of multibillion dollars in debts owed the government.

While the Attorney General created the Department Resources Board (DRB) in June 1985 to assist him in managing the planning, programming, and budgeting system and implementing the President's management improvement program, as of January 1986, it was not clear how the DRB would accomplish these responsibilities. The DRB must rely on existing management systems designed to support the Attorney General. The following sections set forth the conditions of such management systems, the effect of existing weaknesses, and our recommendations for corrective action.

Strengthen Departmental Planning, Programming, and Budgeting Processes

Early in Attorney General Smith's administration, some policy officials recognized improvements were needed in the Attorney General's ability to set departmental direction, plan and oversee major policy initiatives, and allocate resources among components. They attempted to implement processes for establishing departmental goals, coordinating program plans, and considering the components' separate budget submissions from a departmental perspective. However, these efforts largely failed because responsibility was not clearly fixed and because interested officials departed.

For example, former Deputy Attorney General Schmults and Associate Attorney General Giuliani recognized early in their tenures that there were no departmental goals. The effect of not having such goals was summed up in one JMD document as follows:

"Without a clear, agreed upon concept of where we want to go and an institutionalized means of adapting to unknown future events and still move toward or modify advantageously our longer range goals, we will be controlled by and wholly reactive to events."

Recent Efforts to Improve Departmental Planning Capability Have Lapsed

In an effort to involve agency component heads in formulating and implementing departmental goals, a process known as the Criminal Justice System Budget Hearings was introduced in 1982. Former Deputy Attorney General Schmults expected 4 to 5 years would be needed to institutionalize this process as well as have it result in long-range goals and directly affect the budget process. The three overview sessions never resulted in a strategic plan, and the hearing process was not reconvened after 1983. According to a former Associate Deputy Attorney General, the sessions lapsed because (1) no departmental entity was assigned responsibility for planning and conducting these sessions and (2) interested department-level policy officials and their staffs left office.

A second effort to improve the Department's planning capabilities was the establishment of the Office of Legal Policy. According to its mission statement, the Office's principal responsibilities are to plan, develop, and coordinate the implementation of high priority initiatives of the Department and the administration. However, the Office did not function as originally conceived and evolved into a more project-oriented group. This situation occurred because the Office's authority was not clearly established.

Deputy Attorney General Schmults told us that the Office was established to (1) help the Attorney General formulate the policy positions he should take in different areas by pulling together the diverse views of the components and (2) coordinate and justify new policy initiatives, such as the Organized Crime Drug Enforcement Task Force Program, that he felt components would not have time to develop. However, the first Assistant Attorney General to head the Office viewed the Office's role as being responsible for ensuring departmentwide consistency in legal policy implementation. Both officials told us that OLP did not have a mandate to oversee or coordinate the program planning activities of the components.

Despite earlier attempts to establish a program planning office, the Department presently does not have an entity responsible for (1) coordinating and developing major policy initiatives and (2) integrating components' program plans and precluding the overlap of operations and duplication of resource requests. Further, the Department does not have a process for overseeing the components' program plans to ensure that the Attorney General's management agenda is properly translated into the plans and that plans (1) state specific objectives, performance criteria, milestones of activity, and costs necessary to implement the strategy; (2) delegate responsibility for program operations; (3) assign adequate resources to fulfill objectives; and (4) provide performance measures for evaluating the efficiency and effectiveness of program operations.

Without an established entity and a systematic oversight process, the only review of the components' program planning is performed by JMD's Budget Staff and the Budget Review Committee as part of their annual review of the components' budgets.[1] This approach has not been completely effective in providing needed management direction. Without an established entity and system to oversee the planning and implementation of major policy initiatives, the Attorney General has had to turn to the Deputy, the Associate, or the component heads with already demanding schedules to perform these functions on an ad hoc basis.

[1]The Budget Review Committee consisted of the Deputy Attorney General, the Associate Attorney General, and the Assistant Attorney General for Administration. It was abolished on June 14, 1985, and replaced by the Department Resources Board.

Policy and Planning Weaknesses Can Affect Program Operations

Our review of three major program initiatives illustrates how the Attorney General can be constrained by the lack of a professionally staffed policy and program planning office. These constraints include overburdening top managers and their staffs with program development responsibilities, inadequate coordination of program activities, and inconsistent performance monitoring. Some examples follow.

- To ensure that the Organized Crime Drug Enforcement Task Force Program was developed expeditiously, former Deputy Attorney General Schmults shifted coordination responsibility from the Office of Legal Policy to the Associate Attorney General because he felt a line organization would be able to more quickly accomplish the work needed to be done. The Associate Attorney General, his staff, and a small group composed of representatives from the Attorney General's Office and the Deputy Attorney General's Office subsequently developed the strategy and plans needed to implement the Attorney General's expectations. According to a former counsel to the Attorney General, this effort required intensive commitment for about 6 months, which limited their attention to other duties (see app. VI).
- The Department's National Asset Seizure and Forfeiture Program has had numerous problems including (1) inadequate coordination and cooperation among Justice components, (2) inadequate or inconsistent procedural advice and guidance, and (3) confusion over responsibilities. According to a 1983 Justice report, the lack of cooperation among the Department's investigative, prosecutorial, and support organizations adversely affected the timeliness and quality of litigation and resulted in procedural delays that led to unnecessary storage costs and manpower expenditures. As noted on page 108 of appendix VII, the Department has taken action to correct these problems, including designating the U.S. Marshals Service as the lead property management agency and creating a new office within the Criminal Division to coordinate guidance. However, the Department's reliance on component program planning, with limited departmental program policy and planning oversight, can result in problems.

  For example, the U.S. Marshals Service has been relied on for developing the plans needed to launch its National Asset Seizure and Forfeiture Office, which will gradually assume departmentwide responsibility for all seized assets. According to the Marshals Service's Assistant Director for Financial Management, the Service submitted a request to OMB in June 1983 for 100 positions and $10.5 million for the NASAF Program. Because the U.S. Marshals Service did not develop an implementation plan, the Service could not justify its resource request to OMB even

though the Department had experience in managing past seizure and forfeiture activities. An OMB budget examiner said that the Marshals Service budget submission did not convince OMB that the Marshals Service had thought through program implementation. As a result of the Marshals Service's lack of a comprehensive plan, a compromise figure of 45 positions and $3.1 million was agreed to by the Service, JMD, and OMB. The U.S. Marshals Service later received an additional 132 positions and $2.5 million for the National Asset Seizure and Forfeiture Office in a 1985 supplemental appropriation. Poor planning, however, may delay the full implementation of the NASAF Program and adversely affect the Department's ability to handle increased seizures and forfeitures—a key strategy of the Organized Crime Drug Enforcement Task Force Program (see app. VII).

- The Department's Legal Process Debt Collection Program has experienced a wide range of problems. A 1981 OMB report noted that there has been no uniformity in collections policies and procedures, no clear setting of collections priorities, and no formal monitoring of the effectiveness of the collections functions. The report cited the lack of coordination or central management oversight of collections at the departmental level as the primary reasons for these problems.

  The Department has made some strides in correcting its problems, including establishing procedures for expediting the deposit of collections to the U.S. Treasury through the use of lock boxes. However, there still is not a fully coordinated departmental approach to managing the debt collection effort. For example, according to a Department official involved in the program, it is unclear whether the Assistant Attorney General for the Civil Division, who served as the head of a multi-component team responsible for coordinating collection activities departmentwide, has the authority to direct the other components to take certain actions and hold them accountable.

  Also, the Department's two debt collection plans prepared to date, which should be departmentwide in scope, focus on the U.S. attorneys' offices and exclude the legal divisions. The divisions also collect legal process debts and account for about 25 percent of the Department's accounts receivable. Absent inclusion in the Department's plans, it is difficult for anyone at the departmental level to formally monitor the effectiveness of collection functions in these organizations.

  In addition, uniform debt collection policies and procedures, which OMB identified in 1981 as being urgently needed, had not been issued as of

the end of August 1985. According to a Department official, the responsibility for developing such policies and procedures was delegated to the Executive Office for U.S. Attorneys because the capability at the departmental level did not exist. An EOUSA official told us that they did not complete the manual as planned because they had underestimated the amount of work such an effort would require (see app. VIII).

Budget Process Can Be Used More Effectively

Without a departmental strategic and program planning process, the Department relies primarily on the budget formulation process to serve as the major mechanism for establishing management direction. However, the budget formulation process is inherently short term in scope and does not provide the proper forum for formulating departmental goals and reviewing components' program operations. In addition, other improvements are necessary for the budget process to function optimally to allocate departmental resources.

For example, components need guidance on the Attorney General's policy goals and priorities early on in the process of developing their budgets. Such guidance has been issued either late or not at all for fiscal years 1985 through 1987. The Attorney General's guidance for fiscal year 1985 was issued 5 days after the components' budgets were due to JMD, and fiscal year 1986 guidance was not issued at all. A former Associate Deputy Attorney General told us that the Assistant Attorney General for Administration had prepared this guidance; however, no one assumed this responsibility after he left. Soon after his appointment, Attorney General Meese provided guidance for the fiscal year 1987 budget, and this guidance was used by the components in their submissions to JMD.

Component budget officials told us that the lack of top DOJ management direction can cause problems. Without management direction, components find it difficult to prepare annual budgets that reflect the Attorney General's policy initiatives and program priorities. For example, one budget director stated that he initiates informal contact with congressional, OMB, and JMD staffs to compensate for the limited management direction from the Department.

Further, indications exist that the components have not fully recognized their responsibility for integrating their budgets under the Department's new budgeting system, the "Unified Budget Review." According to a JMD budget official, this system requires (1) the components to prepare budgets that have been integrated with other components and (2) the

Budget Review Committee (now the DRB) to examine the Department's budgetary needs as a whole, rather than component by component. The DRB is responsible for assuring that there is both integration and balance among the Department's mission areas and supporting programs. Although JMD specifically directed components to coordinate their budget requests for workload and resource data for fiscal years 1985 to 1987, officials in several components told us that they do not actively coordinate workloads with other components in order to prepare their initial submissions to JMD. Reasons cited include not being aware of such a requirement, a view that they have insufficient time to integrate their budgets, and an opinion that leadership for budget integration must come from the Department.

JMD budget documents confirm that the components do not always prepare integrated budgets. One example involved fiscal year 1985 budget submissions for the Organized Crime Drug Enforcement Task Force Program. The U.S. Attorneys' budget requests asked for additional resources to prosecute individuals from high-level drug trafficking enterprises for a particular region. However, the FBI and the DEA did not request the additional funding that would be needed for that region to investigate the high-level drug traffickers. JMD budget officials told us that while they have attempted to oversee the integration of the components' budgets, they have not been explicitly charged with this responsibility. If budget submissions do not reflect the effect of other components' activities and this is not identified at the departmental level, there is the potential for wasted resources, unintended program consequences, and the inability to accurately project budgetary and management requirements.

Five of the six JMD budget analysts we interviewed told us they do not conduct a systematic review of current programs during the budget review process to identify areas of potential cost savings and program inefficiencies. Until OMB discontinued the requirement for the fiscal year 1983 budget submission, the Department was required to use the zero-based budgeting approach to formulate budget requests. Under this approach, continuation of current programs or incremental growth for these programs was not assumed.

The Department continued to use a modified zero-based budgeting approach until the fiscal year 1986 budget when it adopted what departmental officials termed the incremental budget formulation approach. Under this approach, JMD's Budget Staff generally focuses their attention on the narrow range of increases or decreases from the

base as well as the identification of non-recurring costs. Absent a program policy and planning capability, the Department has limited opportunities to plan for the reallocation of funds or identify potential cost savings because continuation of programs is assumed.

Strengthen Central Management Capability to Implement Major Automated Information Systems

The Department needs to establish central oversight of the ADP and telecommunications activities of its components to ensure that component systems are cost effective for the entire Department. Without such central oversight, the Department has been unable to implement long-standing, high priority projects, such as a departmentwide litigative case management system and a consolidated telecommunications network, despite several years of effort. It is important for Justice to establish such a departmental oversight capability because information technology is a central element in all aspects of its missions. For fiscal year 1985, the Department has obligated more than $445 million, over 11 percent of its total budget, to provide data processing and telecommunications for functions ranging from criminal investigations to legal research. The Department plans to devote almost $1.3 billion over the next 5 years to enhance its information systems (see app. III for details).

The Department's current organizational structure provides neither the authority nor the control necessary to plan for these information resources effectively. The Assistant Attorney General for Administration, as the head of JMD, is the senior official for information resource management (IRM), but this appointment places departmental policymaking at a level equal to other component heads and within an organization whose mission is predominantly to provide administrative services and automatic data processing (ADP) support to component organizations. JMD has experienced problems effectively setting departmentwide policy and controlling data processing, telecommunications, and systems development activities.

Justice also needs to develop a comprehensive departmentwide plan for automated information systems and effectively use its existing planning and budget review processes to coordinate individual components' activities and major departmentwide initiatives. Without such a plan, Justice components routinely develop and enhance data processing systems and telecommunications networks costing millions of dollars annually without adequate assurance that such systems are cost effective for the Department as a whole.

Justice Has Been Unable to Implement a Departmental Case Management System

Since 1977, the Department has attempted to implement a departmentwide litigative case management system that would provide the Congress and OMB with summary information on litigative caseload and provide top Justice executives with workload information that can be used in making resource allocation decisions. Prior efforts to develop such a system have been unsuccessful because (1) each litigative component was allowed to develop its own separate system to satisfy its own management needs which resulted in the collection of different types of case information precluding development of an integrated departmentwide system, and (2) data submissions from the litigative components that fed the departmental system were incomplete and unreliable.

In August 1983, the Deputy Attorney General commissioned a task group to assess the adequacy of current technical support activities, including departmentwide litigative case management. This task group subsequently established a working group, chaired by the Director of the FBI Technical Services Division, and charged it with developing a prototype departmentwide case management system. With the support and personal involvement of the Attorney General and the Deputy Attorney General, the current task group has made a good start—further than most prior efforts. As the Department develops its prototype, it needs to address fundamental data integrity problems with the divisional case management systems. These systems often

- have varying definitions of case-related terms,
- do not regularly gather and report routine divisional caseload information, and
- track and count cases that are also counted by other litigating components' systems.

These problems should be addressed before the Department can achieve a departmentwide system that effectively meets its information needs.

Justice Has Been Unable to Consolidate Its Telecommunications Networks

Telecommunications is a major cost for most Justice components. The Department currently has 20 separate networks costing more than $22 million per year for leased services alone. As early as 1981 Justice recognized that these individual networks were redundant and inefficient and that costs were growing at an annual rate exceeding 22 percent. In its fiscal year 1985 budget submission, Justice requested $6 million to begin installing a consolidated Justice Telecommunications Network (JTN) aimed at controlling five telecommunications networks which account for 90 percent of the Department's telecommunications costs.

However, JMD has exercised limited oversight and control over the telecommunications activities of departmental components. It has yet to develop a comprehensive policy or strategy that (1) details departmentwide telecommunication needs and shows how JTN will meet those needs, (2) explains how JTN will be implemented, and (3) specifies how the JTN would complement and interface with the components' telecommunications networks.

For example, although the consolidated network was intended to reduce telecommunications costs, JMD continued to approve funding requests from bureaus and divisions to maintain and enhance their own networks through fiscal year 1990—the same time period JTN was to be funded and well beyond the projected dates for JTN implementation. Total departmental telecommunications expenditures during that period were projected to exceed $90 million. INS and DEA, who were to be included in the first phase of consolidation, planned to spend $52 million on telecommunications acquisitions over the same period without knowing how the JTN would affect their networks.

Confronted with simultaneous funding requests for JTN and component systems upgrades, and citing the absence of a coordinated departmentwide ADP and telecommunications strategy as a reason, the Senate Appropriations Committee eliminated funding for JTN. Subsequently, the Congress approved $3 million in funding for the project. OMB subsequently requested the Congress to rescind the $3 million and eliminate JTN funding from the Department's fiscal year 1986 request. While the Congress did not actually rescind the funds, it did transfer them to another fund within Justice. As a result, the Department has been unable to progress toward achieving the potential savings through telecommunications consolidation.

Implement the Departmental Financial Management Plan

The Department's financial management environment needs to be improved. Many of its accounting systems are fragmented and labor intensive. Further, these systems do not provide the reliable and timely financial data necessary to properly account for and control resources in such areas as accounts receivable and property management. The Department has recognized its accounting deficiencies and, in both its 1984 and 1985 assessments required by the Federal Managers' Financial Integrity Act, reported to the President and the Congress that a significant portion of its resources is accounted for by systems that are not in full conformance with the Comptroller General's accounting principles,

standards, and related requirements. Recent efforts by OMB and the Congress to focus attention on improving financial management and internal controls governmentwide have prompted the Department to develop a comprehensive departmentwide management plan to address its financial management deficiencies (see app. IV for details).

Financial Management Weaknesses Can Hinder Program Operations

Weaknesses in the Department's ability to control and account for its assets can adversely affect its ability to monitor the performance of program objectives. Our review of the Legal Process Debt Collection and NASAF programs showed that the Attorney General's ability to direct and control his priority initiatives has been affected by financial management weaknesses at the department and component levels. Specifically, the Department has been unable to obtain reliable departmentwide financial information on these programs due to the fragmented nature of its financial systems and limited departmental financial policies. The Attorney General and his key managers need reliable departmentwide information to (1) make departmentwide operational decisions and (2) have a sound basis for overseeing, monitoring, and evaluating the progress of their initiatives.

For example, a 1983 DOJ report on seized property noted that the information collection and reporting practices do not provide policymakers and program managers with adequate information to assess the progress of forfeiture activities. The report noted that this situation existed because aggregate records were not available, each component collected different kinds of information and presented it in different formats, and no standardized definitions of data elements were provided to the field. Further, the Department has acknowledged in its December 31, 1984, Federal Managers' Financial Integrity Act report to the President and the Congress that improvements were needed in the financial policies and accounting processes required for managing and safeguarding seized and forfeited assets.

In addition, the Department has not yet established departmental procedures defining information which components must gather to recover costs from the new Assets Forfeiture Fund. In 1984, the Congress, through the Comprehensive Forfeiture Act (P.L. 98-473), authorized the establishment of a special Assets Forfeiture Fund. The fund was to provide agencies with an incentive to maintain seized assets because they would recover property management costs out of the fund in lieu of spending their own appropriations. This was particularly important because asset forfeiture, and the resulting maintenance costs, were

expected to rise dramatically because increasing the use of asset seizures is a key strategy of the Department's drug enforcement efforts.

The Department also cannot obtain departmentwide financial information to control legal process debt collection activities. It does not have a departmentwide system to account for, control, and report on these activities. The Department's legal divisions and the 94 U.S. attorneys' offices all share responsibility in collecting legal process debts. However, no entity at the departmental level, until recently, had established standard financial information requirements. In 1984, JMD requested that all components submit monthly financial reports beginning January 1985; however, only one component complied with this request. Reasons cited by other components for not complying included either that they were unable to comply due to systems limitations or that they did not view it as necessary to comply.

As a result, policymakers and program managers do not have adequate information to assess the progress of the Department's legal process debt collection activities. In 1981, OMB noted that it, along with GAO and the Congress, had been frustrated in assessing the scope of litigation problems due to the lack of any accurate information on collections workload, including dollar amounts. Further, OMB noted that productivity could not improve unless collection functions, such as billing debtors and issuing notices, were automated. Presently, many of these are very labor intensive activities.

One component, the Executive Office for U.S. Attorneys has initiated some action to automate its operations. This action includes developing the Prosecutors' Management Information System (PROMIS), a case management system with a debt collection component that would allow each U.S. attorney's office to track costs and automatically bill and issue notices. However, according to a Department official, PROMIS will not be fully implemented until September 1987 and may be further delayed if funding problems develop.

Lack of a Comprehensive Plan Has Affected Efforts to Improve Financial Management

The Department has previously taken a component-oriented approach to system development. Historically, each component planned, developed, and implemented systems to meet their own needs. There was no overall departmentwide financial management plan to determine if systems were being designed in the most efficient and effective manner. This approach resulted in various components incurring costs to develop separate systems to meet similar accounting requirements. Further, the

absence of a departmentwide comprehensive financial management plan has caused the Congress and OMB to delete funding requests for specific system enhancement projects.

OMB rejected JMD's fiscal year 1985 budget request with directions to study the feasibility of developing a single, departmentwide accounting system. JMD, after having a feasibility study performed, decided to develop the Financial and Administrative Management Information System as a prototype financial management system for the Department. According to a Justice official, OMB subsequently approved the request, but it was deleted from the Department's fiscal 1985 appropriation by the Congress. Concerned that the Department did not have an overall ADP plan, the Senate Appropriations Committee denied requested increases for JMD's financial system.

In fiscal year 1986, the Department again requested funding for its redesign effort. OMB disallowed the request because the Department did not provide adequate justification as to how the Department would phase in its components to form a single integrated departmentwide system. In addition, the Department received a 10 percent reduction—about $1.8 million—in its administrative budget. As a result, funding for enhancement efforts in the management and administrative area will not be available in fiscal 1986.

Progress Made in Developing the Financial Management Plan

OMB Circular A-127 requires each agency to establish and maintain a single, integrated financial management system and develop a comprehensive financial management plan. In response to the circular, the Department has embarked upon a reasonable approach for improving financial management. Representatives from each major component participated in developing a plan that was issued in September 1985. Their involvement is vital to building consensus and is the primary means of ensuring all viewpoints are considered.

In addition, JMD has assumed a leadership role. Although it always had an oversight responsibility for financial management in the Department, JMD has never fully exercised its role. In the past, JMD was mainly concerned with system review and documentation. The major components, such as DEA, FBI, and INS, are very supportive of JMD's new leadership posture. The FBI representative has given the strongest endorsement stating that the Department's current efforts are the only way the OMB

requirements can be achieved. Top management's continued involvement and commitment is necessary for the plan to succeed and the financial environment to improve.

Use Management Processes for Improving Efficiency and Effectiveness

The Attorney General has limited capabilities for ensuring optimal utilization of departmental resources through improved productivity and program delivery. A review of selected management processes that provide a basis for such assessments finds that the Department could better use

- audit and evaluation capabilities to determine program effectiveness,
- position management reviews to identify opportunities to achieve staffing efficiencies,
- the senior executive performance appraisal process to support program plans and establish accountability for program performance, and
- systematic productivity management techniques to identify and follow up on opportunities for program efficiencies.

Department Audit and Evaluation Groups Can Provide Management With More Program Effectiveness Information

Department policy officials need independent assessments of the efficiency and effectiveness of policy and program implementation as a basis for decisions on continuing or altering program policies. JMD audit and evaluation groups have the potential of better filling this need by devoting greater attention to conducting program effectiveness reviews and by better oversight and coordination of the reviews done by component review staff.

Audits Need More Balance

GAO government audit standards state that three types of audits—financial and compliance, economy and efficiency, and program results—are necessary to help ensure full accountability and to assist government officials and employees in carrying out their responsibilities. JMD's departmentwide Audit Staff has focused most of its efforts on the first two types of audits. Component audit groups' program results reviews focus only on the individual components. The Audit Staff needs to achieve a better balance of the three types of audits by focusing its planning on departmentwide program results issues and by overseeing and coordinating the planning and implementation of the component audit groups' efforts to ensure departmentwide and component programs receive balanced audit coverage.

During fiscal years 1983 and 1984, JMD's Audit Staff devoted 8 percent of its total staff days to program results audits that focused directly on the degree to which a program was effectively meeting its goals. This percentage represented 2 of the 37 reviews issued during the period. The Audit Staff devoted the remaining 92 percent of its total staff days to the following audits: economy and efficiency, 29 percent; financial and compliance reviews, 42 percent; and audits that were a combination of program results, financial and compliance, or economy and efficiency reviews, 21 percent. The Audit Staff's 1985 planning documents recognized the imbalance in the organization's effort. They attributed the imbalance partially to a requirement to close out Law Enforcement Assistance Administration grants.

OMB and GAO guidelines state that an important function of the central audit group is to oversee and coordinate the component review groups. Although the JMD Audit Staff's mission statement calls for coordination with component review groups, officials on the Audit Staff told us they believe they have a limited mandate to perform oversight functions with the Department's seven audit and six inspection groups. The component groups plan their work independently; their reports are not routinely shared with JMD or the other components; and their review activities generally involve only the programs within their respective component. Improved coordination among these staffs offers the potential for providing more comprehensive coverage of broad, cross-cutting issues that affect several operating components.

OMB guidance calls for agency audit staffs to report to the agency head or deputy. This is one of the best ways to achieve coordination among various agency audit groups and ensure the independence necessary to an effective internal audit program. The JMD Audit Staff reports to the Assistant Attorney General for Administration, who is equal to other component heads engaged in program work and who has responsibility for departmentwide activities, such as payroll, procurement, information systems and cash management, that receive audit group attention. GAO continues to support legislation to establish a statutory Office of Inspector General at the Department of Justice to strengthen management control; assure efficient and effective operations; and combat fraud, waste, and abuse.

JMD Evaluation Activities Are Declining

The JMD Evaluation Staff was established in fiscal year 1980 to provide feedback to top Department officials on the effectiveness of ongoing

programs. It was to be free of programmatic or operational responsibility so that it could function as an unbiased advisor on strategic policy, planning, and decisionmaking processes. However, its program effectiveness workload has declined from 85 percent of the work in fiscal year 1980 to about 40 percent in 1985 because it acted as a departmental focal point on other activities, such as Reform 88, the Federal Manager's Financial Integrity Act, and OMB Circular A-76. The director of the Evaluation Staff told us that they are hoping to place more emphasis on program effectiveness evaluations, but as of July 31, 1985, more of these evaluations were not being done.

Several Justice components also have evaluation groups. These groups also do program results evaluations; however, they operate about the same as the component audit groups with little central oversight and control. Consequently, the results of their work are also useful mostly to their respective components. The mandate for the central Evaluation Staff to oversee the planning and implementation of component evaluation groups is not as clear as for the central Audit Staff. However, as for the audit groups, better coordination between the JMD and component evaluation groups could provide more departmentwide program results information.

Coordinated reviews of program operations can be an important source of information to Department policy officials for developing future courses of action. For example, the Deputy Attorney General formed an ad hoc departmental evaluation group to determine actions needed to better use seizure and forfeiture techniques and to better manage and dispose of seized property. This group, consisting of both JMD and program personnel, proposed a number of improvements in 1983, and these recommendations are currently being implemented (see app. VII).

Position Management Reviews Can Be Better Utilized

Position management reviews are a performance assessment technique for promoting the efficient use of staff resources. Such reviews generally are not used at Justice to surface weaknesses in the components' use of personnel resources, although previous studies, as well as some preliminary analysis by us, indicate that greater efficiencies are possible. Because 55 percent of DOJ operating expenses are for personnel costs, we believe that greater use can be made of position management programs to identify opportunities for more efficient use of resources.

Position management is designed to ensure that an organization's structure is sound and that its personnel resources are being used effectively

and economically. This determination includes regular reviews to evaluate positions for need, soundness of design, adequacy of description, and accuracy of classification. Position management programs should also help to achieve the minimum number of positions needed for mission accomplishment, a proper balance of professional and support skills, and the lowest possible total personnel cost. Normally, line managers work in conjunction with personnel specialists in conducting these analyses.

We went to JMD, EOUSA, INS, and BOP to determine whether this performance assessment technique was used to assist in management control. Only BOP employed this technique to assess workforce needs and identify potential efficiencies. A JMD evaluation of the BOP program found that it had produced a number of efficiencies, and we found recommendations on reclassification of positions, the use of part-time employees, and the elimination of positions. This technique was not used in the other components as a regular tool to identify opportunities for improving operations. Officials of the JMD Personnel Services staff cited staffing limitations and lack of interest by departmental and component management as reasons for the limited position management reviews.

Three personnel staffing issues provide examples of where regularly conducted position management reviews could identify potential efficiencies.

The Department's experience with the paralegal issue provides the first example. Internal studies dating back to 1977 have found that attorney productivity could be enhanced and economies realized by achieving a better workforce mix between paralegals and attorneys in the litigative divisions and U.S. attorneys' offices. A July 1983 JMD Evaluation Staff study reported that paralegal utilization was resulting in significant cost savings of over $9 million to the legal divisions and U.S. attorneys' offices but that the attorney/paralegal ratio was still roughly double that in private sector law firms, indicating the potential for further economies. In a 1984 memorandum to the Office of Personnel Management, the Attorney General acknowledged that the Department could save up to $8 million by increasing the number of paralegals.

JMD also reported that no legal division or U.S. attorney's office had the processes in place or had conducted the thorough work flow analysis that would determine the types of functions that could be performed by non-attorneys with equal or greater effectiveness. At the completion of

our review, the legal divisions and the Executive Office for U.S. Attorneys did not have the position management review processes in place to routinely provide the basis for staffing decisions.

A second area deserving attention is overtime usage at INS. Overall, 11 percent of INS' total workyears in fiscal year 1984 were budgeted to be provided by overtime. We examined overtime usage at five Service Processing Centers which detain illegal aliens. Overtime workyears averaged 36 percent of full-time workyears, representing up to 48 percent at one center. However, the overtime usage pattern showed consistent rather than sporadic usage throughout the 12 months selected for review. Although they had not conducted any studies of this pattern, INS officials told us staffing of these and other INS work stations (1) relies heavily on overtime to get the work done, (2) allows managers to give added pay to what they consider under-graded staff, and (3) is more effective than hiring part-time help that is not as well trained. However, continued heavy use of overtime can be a more costly way to meet staffing needs. A position management review could help determine if overtime is the most productive and economical way of accomplishing the workload of these facilities.

A final example is the INS Border Patrol's agent/clerical staffing practices. JMD's Audit Staff reported in 1981 that visits to sectors and stations showed a need for additional clerical and support staff. Stations, except for the very large ones, did not have clerical or support staff, and, as a result, agents were preparing and typing monthly statistical reports, filing, and answering telephones. In July 1983 an INS Evaluation Staff study confirmed that field locations were receiving insufficient clerical support and thus were diverting significant amounts of officer time from the intended duties to clerical work. For the 19 Border Patrol locations evaluated, 11 (58 percent) needed an additional 47 clerical positions to balance their workload.

Senior Executive Performance Appraisals Can Be Better Used to Establish Accountability

Our analysis of senior executive appraisals in several components found this process was not used effectively to hold managers accountable for performance as required by the Civil Service Reform Act (CSRA). As a result, the Department is missing opportunities to clarify organizational goals and establish responsibility for performance improvements.

CSRA requires agencies to develop executive appraisal systems that would annually establish performance requirements for each senior executive service (SES) member. Work plans are to contain a written

statement of what an executive is responsible for (performance elements) along with written measures of level of achievement or how well, how soon, or to what extent the executive is expected to perform (performance standards). Performance appraisals are to include factors that are intended to help executives focus attention on organizational performance improvement goals, such as improvements in efficiency, productivity and quality of work or service; cost efficiency; and timeliness of performance.

We reviewed 109 SES performance work plans in the offices, boards, and divisions and in BOP for the 223 senior executives rated in fiscal year 1984. These work plans generally lacked performance improvement emphasis and often did not contain the meaningful, measurable objectives called for by the CSRA to improve federal management and productivity and to facilitate accountability for performance. More than 85 percent did not contain elements addressing improvements in efficiency, productivity, quality of work or service. About 75 percent did not contain elements or other indicators of the effectiveness, productivity, and performance quality of employees for whom the senior executive is responsible. Fewer than 50 percent contained elements addressing cost efficiency, and most of those elements merely required staying within funding limits. About 55 percent of the plans addressed timeliness of performance, but generally only with such unspecific statements as "in a timely manner" or "in a minimum of time." In addition, performance standards in these plans were almost always stated in general terms and did not contain objective, measurable criteria, such as how many, how soon, or how well, by which an executive can be held accountable.

We also found that work plans do not always exist where they should. Both career and noncareer senior executives are required to have performance plans. However, 28 of 48 (58 percent) DOJ noncareer executives had no work plan prepared and no rating for fiscal year 1984. Noncareer senior executives often hold top management positions and formulate agency policy and goals. Their plans, if used properly, could form an effective tool for linking various levels of management to the accomplishment of organizational objectives.

DOJ Can More Systematically Address Productivity Management

Productivity improvement means reducing the resources required to provide a government service while maintaining given levels of timeliness and quality. Productivity management is the means of assuring continual improvement in productivity through the use of certain methods. Those methods include (1) establishing plans and goals for

improving efficiency, timeliness, and quality of services; (2) holding managers accountable for these performance improvements; (3) supporting such efforts at the top levels and providing a focal point for fostering performance improvement; and (4) establishing measurement systems that permit monitoring of performance changes and appraising managerial success in making improvements.

Opportunities exist to more systematically address operational problems in Justice through incorporating productivity management considerations into the overall management process. As discussed previously, we found that the Department needs to establish a process that could ensure that program plans address goals for improving productivity (see pp. 29-30). Further, we found that more could be done to hold managers accountable for improving efficiency, timeliness, or quality through the SES contracts (see pp. 45-46).

In addition to weaknesses in integrating productivity management considerations into the planning and accountability systems, Justice needs to provide leadership and assistance to the components through (1) top level support for productivity improvement activities, (2) a focal point to collect and disseminate information which could facilitate the identification of opportunities for efficiency, and (3) guidance in developing the productivity measurement systems needed for monitoring progress and holding managers accountable for performance.

Limited Departmental Leadership

There has been limited departmental leadership directed at systematically identifying and pursuing productivity improvement opportunities. A December 13, 1984, JMD position paper noted the Department has not been providing consistent guidance to its components for what should be contained in the productivity improvement plan required by OMB as part of its management reviews. Additionally, one JMD official explained that departmental efforts could be improved through better coordination among responsible JMD components. The JMD Evaluation Staff has had responsibility for coordinating departmental compliance with various OMB requirements for productivity improvement, but they have handled this function in addition to a wide range of other duties. The staff director noted that their productivity responsibilities have received limited attention because they did not perceive that it was a top management priority. This assessment of limited top management attention to productivity management was further supported by our inability to

identify any statements of goals or objectives for productivity improvement in reviewing the Attorney General's policy and planning guidance for budget formulation.

Acknowledging the need for greater departmental commitment to productivity management, JMD created the Office of Policy and Planning in January 1985 to oversee a broad range of management improvement activities. Its mission statement includes functions designed to provide a greater focus on productivity improvement. The Office's ability to operate effectively as a focal point for productivity management remains uncertain because it has yet to be given permanent staff.

On September 16, 1985, the Attorney General announced a Department of Justice Management and Productivity Improvement Program which will involve Department components in planning and carrying out initiatives related to the President's Management Improvement Program and seven broad policy goals of the Attorney General. The Department submitted its plan to OMB in November 1985.

Weaknesses Exist in Productivity Information

We found that some Justice components have and use productivity measures. Notably, INS develops measures, such as border check points, by which they monitor the productivity of field offices. According to INS officials, they find such data valuable for shifting staff in order to match changing workload and to identify problem operations. However, we found a variety of information problems or limitations adversely affect efforts to assess performance at both the component and departmental levels. Examples of these difficulties follow:

- A DOJ study team reported in February 1983 that caseload data from the Docket and Reporting System of the U.S. attorneys' offices were frequently incomplete, inaccurate, and untimely, thus limiting the availability of accurate workload information needed to assess performance.
- Input data, usually defined as staff hours or staff years, are limited in the Criminal Division and in the U.S. attorneys' offices. These components lack a system to track attorney time per work activity, although the Criminal Division is developing such a capability.
- In 1983, Department and GAO studies found that adequate performance information was not available on seized and forfeited property. Although the Department approved the data elements for a departmental information system in June 1985, information for assessing performance, such as the total inventory of asset seizures and costs

associated with seizing, maintaining, and disposing of property, remains unavailable.

- The Department still has difficulties assessing its debt collection activities. Information collected from the U.S. attorneys' offices has long-standing accuracy problems. In addition, important information, such as total balances outstanding, age of accounts, and cost and rate of collection, is not routinely available departmentwide. Without this information, the Department is not in a position to assess performance against its goals of increasing the speed of collecting delinquent debts and increasing the rate of collection.

Department Resources Board Created to Develop an Integrated Management System

On June 14, 1985, Attorney General Meese abolished the Budget Review Committee, which he characterized as having a short-range focus, generally emphasizing budget-year and current-year issues. On that same date, he established the Department Resources Board, signalling his intention to develop an integrated management system for the Department that recognizes the interrelationships of the components' programs and leads to a rational, long-range policy framework within which to make budget decisions (see app. I).

The DRB's responsibilities will involve it in virtually all of the management areas that we identified as needing attention. The DRB is to assist the Attorney General in managing the Department's planning, programming, and budgeting process; leading management improvement efforts in areas of information resources management, financial management, and productivity; and ensuring program evaluations are performed as needed for assessing changes in operations.

The concept of the DRB recognizes the Department's decentralized nature and the importance of relying upon the components to manage programs and operations. Thus, the Attorney General states his intent to hold the heads of DOJ organizations accountable for decentralized implementation of DOJ's plans for carrying out presidential and Attorney General policy directives, for the formulation of program plans to implement the programming decisions of the Attorney General, and for the support of the President's budget decisions and the conduct of operations within the enacted budget levels for each fiscal year.

Conclusions and Recommendations

We support the Attorney General's plans to establish an integrated management system for the Department. Such a system is needed to ensure that Attorney General priorities are achieved and that congressional and OMB expectations for more integrated Department resource management are met. Effective implementation of viable management systems can take time to prove their value. Time will also be needed to overcome the tradition of relative component autonomy.

Historically, time has been short for Attorneys General and their management team, and they have spent much of their time on specific legal issues or crises of the moment, leaving little time for solving management issues. Thus, it is important for the Attorney General to clearly establish the responsibility for operating the processes and systems necessary to support the implementation of an integrated management system.

The mechanisms established by Attorney General Smith to integrate Department management—criminal justice overview hearings to formulate long-term goals, the Office of Legal Policy to coordinate program planning, and the efforts to integrate component budgets—were not fully implemented because of an unclear delineation of responsibility, as well as the departure of the interested policy officials and staff. We found similar unclear delineation of responsibility for providing departmental direction and oversight of component activities in the areas of information resources management, financial management, audit and evaluation, and productivity management.

In considering where to assign such responsibility, the Attorney General should consider our experience in other general management reviews as well as the observations of former departmental officials. The situation we found at the Department of Justice is similar to our observations in our first management review at the Department of Housing and Urban Development.[1] Specifically, we found a need for (1) stronger concern for enhancing management direction and control, (2) better accountability for agencywide management functions, and (3) more continuity in the top management team. We suggested placing responsibility for general management functions with an official above the assistant secretary level. This suggestion was prompted by our finding that the Assistant Secretary for Administration did not have sufficient influence to get

[1] Increasing the Department of Housing and Urban Development's Effectiveness Through Improved Management (GAO/RCED-84-9, Jan. 10, 1984).

other assistant secretaries to adhere to central policies. The situation at Justice is similar.

Our observations, conversations with former DOJ policy officials, and discussions with our consultants suggest that JMD is organizationally too low to provide the needed central management guidance. Essentially, the officials and the consultants suggested two alternatives to JMD.

One option is the creation of an office within the larger Attorney General's Office, headed by an Assistant Attorney General, with responsibility for (1) developing policy goals and strategic plans overseeing the Department's program planning, budget, and financial management processes to ensure that Attorney General priorities are addressed and (2) monitoring and assessing program performance to determine whether changes in program plans or policy are needed. This option has the benefit of locating responsibility for the critical planning, budgeting, and program monitoring functions within the Office of the Attorney General, signalling the importance attached to these functions. Under this model, the Assistant Attorney General for Administration would retain responsibility for the administrative support functions—information resources management, administrative services, and personnel.

A second option is the creation of an Associate Attorney General for Management responsible for all management assistance and administrative management functions. This option has the benefit of fixing responsibility for all general management functions with one official who has clear departmentwide responsibilities. The creation of this position, located within the larger Attorney General's office, would clearly signal a greater commitment to improved departmental management and should have the mandate and stature necessary to address the difficult management issues that Deputy Attorneys General have not been able to address fully. This option would require legislation to create the additional Associate Attorney General position.

A third option also exists. This option is to strengthen the role of the Assistant Attorney General for Administration. As the Attorney General's principal policy level official for assistance and administrative support, the Assistant Attorney General for Administration and JMD would have to be given full responsibility for developing and implementing the Department's planning, programming, and budgeting process. JMD's existing policymaking and oversight functions would also have to be clarified. This model could work if JMD is given the sustained support of the Attorney General and other key policy officials. While

this option has the benefits of involving minimal organizational change and centralizing the general management function in one official, former policy level officials have acknowledged that the Assistant Attorney General for Administration has not always been able to function effectively with other component heads. Moreover, it would also place the management policy, planning, and oversight functions within an organization generally perceived as an administrative services entity. The question is whether strengthening JMD in this way would signal strong Attorney General commitment to strengthening departmental management.

Regardless of which option, or variation of an option, the Attorney General chooses, he will enhance his chances of success through demonstrating his continuing commitment to improving general management and his selection of key officials to support himself and the DRB. He must make these officials clearly responsible for improving the management systems to (1) assist in planning, coordinating, and directing departmental programs; (2) assess progress toward policy goals and supporting program objectives; and (3) determine the appropriate distribution, utilization, and control of resources. To provide this capability, we recommend that the Attorney General take the following actions:

- Create a policy level capability for (1) coordinating the development of strategic long-range goals to provide direction to the Department, (2) overseeing component program planning and budgeting to insure compliance with the goals, and (3) monitoring program implementation to insure that policy goals are achieved within the parameters of approved program and financial plans.
- Improve the budget formulation process by providing more timely and detailed Attorney General Policy Program guidance to components and assigning the Department's Budget Staff explicit responsibility of ensuring that the components' budgets are integrated and mutually supporting.
- Develop a plan for managing the Department's information resources. To insure successful plan development and implementation, the senior official responsible for IRM should be experienced in the planning and program coordination of IRM and clearly possess the authority to direct component actions on automated data processing and telecommunications activities in order to ensure that component plans, budgets, and activities conform with goals established by the DRB and the departmental plan.

- Provide priority and sustained attention to implementing the departmental financial management plan and develop a departmentwide integrated financial management system that will provide the cost information needed to (1) control funds expended on programs and (2) support the Department's policy and program monitoring planning system.
- Emphasize the use of program effectiveness reviews to provide policy officials with independent assessments of the effectiveness and efficiency of program implementation on which to base decisions to continue or alter policy decisions. We believe the Department's audit capability would be improved if it reported directly to the Attorney General's office and was organizationally removed from JMD, a component that responds to numerous audit recommendations, and if its authority to coordinate and oversee the activities of component review groups was clarified. We support the establishment of an Inspector General.
- Ensure the effective implementation of the management and productivity improvement program. This effort will require that (1) the components develop specific productivity performance component goals as well as the measures needed to assess performance; (2) the program becomes an integral part of the overall Justice planning and budgeting process; and (3) the Department's focal point for the program effectively oversees the components' productivity improvement, disseminates information on good practices and efforts, and ensures that effective accountability mechanisms and incentives are in place for identifying productivity opportunities.
- Ensure greater utilization of position management reviews by the components so that opportunities to achieve staffing efficiencies are identified.
- Use the senior executive performance planning and appraisal process to fix accountability for accomplishing organizational goals.

Appendixes IV and V contain more specific recommendations on financial management and procurement.

Agency Comments and Our Evaluation

The Department of Justice generally agreed with the thrust of the report and strongly supported almost all of our recommendations. (See app. IX.) The Department, however, deferred endorsing any of our three organizational options for strengthening central management pending an opportunity to conduct a more complete review.

The Department described several actions, either already implemented, ongoing, or planned, to correct the management deficiencies identified in

the report. One such action, which was discussed in our report, was the establishment of the Department Resources Board by Attorney General Meese. The Department stated that the creation of the DRB, which is mandated to develop an integrated management system within Justice, is consistent with the findings of our report.

According to the Department, it has also taken another positive step—the implementation of the Department of Justice Management and Productivity Improvement Program. As noted in our report, the Department, through this program, has developed a Management and Productivity Improvement Interim Plan. Justice stated that the plan, with over 70 management initiatives, including specific projects addressing various management and productivity improvement issues, was submitted to the Office of Management and Budget in November 1985. The Department further noted that it is planning to formally integrate the management and productivity improvement initiatives into the budget process effective with the fiscal year 1988 budget cycle.

We believe that the Department's recent initiatives are positive steps toward correcting the management deficiencies identified in the report. To ensure that the management improvement agenda is implemented, long-term commitment will be required not only from the current Attorney General, but from his successors as well.

The Department stated that our report does not reflect the current state of financial planning in Justice and suggested that we make reference in the report to the issuance, in September 1985, of a consolidated strategic plan for developing an integrated financial management system. Our report accurately reflected the state of financial planning in Justice at the time of our review. The report indicated that the Department was working towards developing a comprehensive financial management plan that called for a departmental approach to financial management rather than the component-oriented approach that existed in the past. This plan was completed after we concluded our audit work. We reviewed the plan and found it essentially the same as the draft version that was discussed at length in the financial management appendix of the report. We have modified the report to reflect the development of the plan.

The Department disagreed with our recommendation to organizationally remove the audit capability from the Justice Management Division and realign the audit group under the direct control of the Attorney General.

We believe that the Department's Audit Staff, as it is presently structured and managed, does not have the organizational independence it needs to make objective assessments to the Attorney General and the Congress on departmental activities. One of the best ways for an agency to achieve coordination among its various audit groups and ensure the independence necessary for an effective internal audit program is to have the audit staff report directly to the agency head or deputy. As our report noted, the JMD Audit Staff reports to the Assistant Attorney General for Administration, who is equal to other component heads engaged in program work and who has responsibility for departmentwide activities, such as payroll, procurement, information systems and cash management, that receive Audit Staff attention.

The Department also reiterated its opposition to the establishment of a Department of Justice Inspector General and stated that no benefit would be gained by such an action. Our position, which is described in this report and another GAO report entitled, Justice Department: An Assessment of the Need for a Statutory Inspector General (GAO/AFMD-86-8), remains unchanged. We believe that Justice's concerns over the sensitive nature of its law enforcement responsibilities can be addressed adequately in the development of legislation to establish an Inspector General at the agency. Justice's audit and investigation units do not have the independence and permanence provided to the inspectors general under the Inspector General Act of 1978. Independence and permanence are needed for these units to effectively and efficiently perform their work and to ensure that the Attorney General and the Congress are kept fully informed of any serious problems. We continue to believe these goals of independence and permanence can be best achieved by an Office of Inspector General mandated by statute.

Regarding our discussion of the National Asset Seizure and Forfeiture Program, the Department stated that our comments on the program were based on a 1983 Justice report and did not appropriately recognize the steps taken in subsequent years to correct the deficiencies. Our assessment of the program was not based solely on the 1983 Justice report. We used several documents including the 1983 Justice report, the Department's 1983 and 1984 submissions for the Financial Integrity Act, and reports issued by GAO to help us identify longstanding problems affecting the management of the Department's seized assets and the causes of these problems. Once we identified the problems and their causes, we conducted audit work in Washington, D.C., California, Texas,

New York, and Florida from November 1984 through May 1985 to determine what actions, if any, had been taken to correct the problems identified in earlier reports and to assess the current status of the program. In conducting our audit work, we interviewed officials from the Subcommittee on Asset Forfeitures of the Department's Forum for Cooperative Strategy, the Criminal Division, the U.S. Marshals Service, the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, and the U.S. attorneys' offices and reviewed documents obtained from these components.

We believe that the report appropriately recognizes the steps taken by the Department in recent years to correct the problems associated with managing seized assets. These steps are described in appendix VII of the report. To ensure that the Department's actions are duly noted, we have incorporated in the body of the report a reference to the Department's accomplishments described in appendix VII. However, our audit work does not permit us to state that the steps taken by the Department have dramatically improved the management of the program as the Department's response suggests.

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Department of Justice Memorandum June 14, 1985, Establishment of the Department Resources Board

Office of the Attorney General
Washington, D. C. 20530

14 June 1985

MEMORANDUM TO: Heads of Offices, Boards, Divisions and Bureaus

FROM: EDWIN MEESE III
Attorney General

SUBJECT: Establishment of the Department Resources Board

Effective immediately, I hereby establish the Department Resources Board (DRB). The former Budget Review Committee (BRC) is abolished.

The Deputy Attorney General shall chair the DRB and its other permanent members are the Associate Attorney General, the Assistant Attorney General for the Criminal Division, and the Assistant Attorney General for Administration. A Special Assistant to me will attend all meetings of the DRB as an observer from the Office of the Attorney General.

The former BRC's focus had been on the short-range only -- generally placing emphasis on budget year and current year issues and decisions. The DRB's focus will be broader and will place emphasis on long-range policy and programming as well as on short-range issues and decisions.

The DRB's primary role will be to help me in managing the Department's planning, programming, and budgeting process. In carrying out this primary role, the DRB will assist me in the following areas:

- Strategic/Long-Range Planning and Policy Development.
- Program Development.
- Resource Guidance and Budget Formulation.
- Evaluation of Policy Implementation.
- Development of Departmental Standards for Performance and Productivity Measurement.

- Implementation of the President's Management Improvement Program.

Each of these functions is described more fully in the attachment.

By creating the DRB, I am initiating the development of an integrated management system for the Department of Justice. The DRB and I will formulate and oversee the planning, programming, and budgeting process for the Department of Justice. The focus of our oversight will always be on ensuring the implementation and accomplishment of Presidential and Attorney General Federal Justice System policy priorities.

The heads of Department of Justice organizations will be responsible and held accountable for: decentralized implementation of the Department of Justice's plans for carrying out Presidential and Attorney General policy priorities; formulation of program plans to implement the programming decisions of the Attorney General; and support of the President's budget decisions and the conduct of operations within the enacted budget levels for each fiscal year.

The DRB and I look forward to your advice and active participation as we implement this integrated management system within the Department of Justice. This new approach should provide a coordinated planning, programming and budgeting system, and focus component management efforts on improving policy execution and achieving greater operational efficiency.

The Chairman of the DRB will communicate to you, shortly, the operating procedures for your interaction with the DRB and an agenda of initial tasks for which the DRB may require your involvement.

Attachment

Department Resources Board
Major Functions

Strategic/Long-Range Planning and Policy Development

- The DRB will act as the strategic/long-range planning group for the Attorney General.
  - In this role, the DRB will oversee the development and the implementation of Presidential and Attorney General policies for the Federal Justice System. It will aid the Attorney General in the preparation of his annual policy guidance for Department of Justice organizations.
  - The DRB will advise the Attorney General on whether or not new policies should be established as part of our strategic long-range plan for the Federal Justice System -- including the placement of new policies in the overall policy priority framework.
  - The DRB will be responsible for articulating the goals of the Administration's Federal Justice System policies, establishing and monitoring measurable objectives to assure steady movement toward achievement of Administration goals and policies, and ensuring adequate resource allocations to the mission areas and supporting programs within the Department of Justice which will be responsible for implementing this Administration's Federal Justice System policies.
  - The DRB will be responsible for assuring that there is both integration and balance among the mission areas and supporting programs of the Department of Justice to ensure successful implementation of the Department of Justice's strategic long-range plan.
  - The DRB will be responsible for assessing the implications of new legislation on the Department of Justice's long-range plan. The DRB will determine the effect of new legislation on the Administration's Federal Justice System policies, achievement of the Department's goals and major objectives, programming and resource implications, and whether or not the longer term goals and strategic plan will need to be adjusted.

Program Development

- In order that the Department of Justice's strategic long-term plan and the President and Attorney General's Federal Justice System policy priorities are implemented, the DRB will be responsible for overseeing the following program development functions:

- The DRB will be responsible for determining which existing programs and/or new programs within major mission areas will be responsible, at the operational level, for achievement of major objectives leading to fulfillment of Presidential and Attorney General Federal Justice System policy goals and achievement of the Department of Justice's strategic long-range plan.

- The DRB will focus on and resolve program issues which cross intra- or inter-Department lines.

- The DRB will oversee the formulation of longer term and shorter term program guidance related primarily to programs across the Department which are directed toward achievement of Presidential and Attorney General policy priorities.

- The DRB will be responsible for program development across the Department related to major systems acquisitions.

- The DRB will be responsible for continual assessment of the relative priority of Department programs to ensure compatibility with Presidential and Attorney General Federal Justice System policy priorities.

- The DRB will identify the need for major revisions to programs in light of experience, program performance and changing circumstances. This responsibility includes recommendations of program curtailment, program termination, the movement of programs among Department components, and the spin-off of Department programs to other government organizations.

Resource Guidance and Budget Formulation

- This function of the DRB is similar to the function previously performed by the BRC. However, the DRB will perform this function in close relationship to the DRB's other functions. The DRB will:

  - Oversee the formulation of budget year resource guidance recommendations for the Attorney General's consideration. The DRB should ensure that budget year resource guidance meets the reality of the Administration's overall fiscal policy. The DRB will oversee the formulation of resource guidance for each budget year which supports attainment of the Department of Justice's strategic long-range plan as to fulfillment of Presidential and Attorney General Federal Justice System policy priorities and their associated goals and major objectives. Concomitantly, the annual budget year resource guidance will ensure that resources are targeted at mission areas and their supporting

programs which are the focus of executing the Department of Justice's strategic long-range plan.

- Formulate budget year resource recommendations in light of Attorney General approved resource, program, and policy guidance. Assure that Department organizations' budget year resource requests and program plans conform to the guidance issued.

- Assess and raise major issues, where appropriate, relative to organizations' deviation from the guidance issued. Determine if the deviations would: significantly contribute toward achievement of major objectives and goals associated with Presidential and Attorney General Federal Justice System policy priorities; and significantly improve and/or accelerate the Department of Justice's strategic long-range plan.

Evaluation of Policy Implementation

- The DRB is responsible for evaluation of policy implementation. The DRB will evaluate whether activities are operating according to approved budget levels, and whether priority programs are receiving adequate resources and are achieving major objectives leading to goal and priority policy fulfillment.

  - The DRB is responsible, based on actual operational conditions and circumstances, for determining if the strategic long-range plan is in need of modification or if significant changes in programming by mission area are required.

  - The DRB is responsible for recommendations relative to the need for supplemental funding during the operating year. The DRB will explore options to seeking new funding during the operating year such as transfers between appropriations or reprogrammings within appropriations -- moving resources from lower priority to higher priority program efforts.

  - The DRB is responsible for ensuring that the Department of Justice's operating components have, or will initiate the development of, the appropriate accountability systems which can provide the necessary summary data to allow the DRB to execute its policy, program, and budget execution responsibilities during the operating year.

Standards for Performance and Productivity Measurement

- To ensure that the Department of Justice is achieving the desired level of program outputs consistent with budget,

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programming and policy decisions, there is a need for Departmental standards for the generation of summary performance measurement data for review by the Department's policy level. Likewise, to ensure that Department of Justice resources are being efficiently used, there is a need for similar standards for an accountability summary productivity measurement data.

- The DRB will be responsible for overseeing the development of Departmental standards for performance and productivity measurement.

- The DRB, in its oversight of policy and program implementation, may direct that specific evaluation and audit studies be performed in order to ascertain the effectiveness and efficiency of policy and program implementation within the Department of Justice.

- The DRB will use the summary performance and productivity measurement data and such special evaluation and audit studies in its post-policy analysis reviews. Such post-policy analysis reviews shall be a means to confirm for continuance, alteration or termination of current policies, and shall lead to the development and institution of new policies.

Implementation of the President's Management Improvement Program

- The DRB shall be responsible for ensuring the integration and implementation of the President's Management Improvement Program throughout the planning, programming, and budgeting process described above. Specific areas of the President's program to be overseen by the DRB include:

  - Department of Justice efforts targeted at eliminating fraud, waste, and abuse.

  - Department of Justice efforts targeted at controlling the costs of administering our programs.

  - Department of Justice efforts targeted at improved financial management.

  - Department of Justice efforts targeted at improved productivity.

  - Department of Justice efforts targeted at improved information technology.

  - Department of Justice efforts targeted at improved program delivery.

- Department of Justice efforts targeted at implementation of recommendations of the President's Private Sector Survey on Cost Control (Grace Commission).

Terms of Office of Attorneys General, Deputy Attorneys General, and Associate Attorneys General, 1969-85

Attorneys General		
Edwin Meese III	Feb. 25, 1985	
William French Smith	Jan. 23, 1981	Feb. 24, 1985
Benjamin R. Civiletti	Aug. 16, 1979	Jan. 19, 1981
Griffin B. Bell	Jan. 26, 1977	Aug. 16, 1979
Edward H. Levi	Feb. 6, 1975	Jan. 20, 1977
William B. Saxbe	Jan. 4, 1974	Feb. 3, 1975
Robert H. Bork (Acting AG)	Oct. 21, 1973	Jan. 3, 1974
Elliot L. Richardson	May 25, 1973	Oct. 20, 1973
Richard G. Kleindienst[a]	June 12, 1972	May 24, 1973
John N. Mitchell	Jan. 21, 1969	Mar. 1, 1972
Deputy Attorneys General		
D. Lowell Jensen[b]	May 22, 1985	
Carol Dinkins	May 21, 1984	Mar. 5, 1985
Edward Schmults	Feb. 9, 1981	Feb. 3, 1984
Charles B. Renfrew	Feb. 28, 1980	Feb. 8, 1981
Paul R. Michel[c]	Dec. 21, 1979	Feb. 27, 1980
Charles F. C. Ruff[d]	Aug. 17, 1979	Dec. 20, 1979
Benjamin R. Civiletti[e]	May 10, 1978	Aug. 15, 1979
Peter F. Flaherty	Apr. 6, 1977	Dec. 9, 1977
Harold R. Tyler, Jr.	Apr. 7, 1975	Jan. 20, 1977
Laurence H. Silberman	Mar. 1, 1974	Apr. 6, 1975
William D. Ruckelshaus[f]	Sept. 19, 1973	Oct. 20, 1973
Joseph T. Sneed	Feb. 2, 1973	Aug. 24, 1973
Ralph E. Erickson	June 30, 1972	Feb. 2, 1973
Richard G. Kleindienst	Jan. 31, 1969	June 12, 1972
Associate Attorneys General		
Arnold Burns	Dec. 16, 1985	
D. Lowell Jensen	June 28, 1983	May 22, 1985
Rudolph W. Giuliani	May 1, 1981	June 3, 1983
Robert N. Ford (Acting AAG)	Jan. 11, 1981	May 1, 1981
John H. Shenefield[g]	Feb. 22, 1980	Jan. 10, 1981
Michael J. Egan	Feb. 1, 1977[h]	Aug. 18, 1979

[a]Mr. Kleindienst served as Acting Attorney General from March 2, 1972, until appointed.

[b]Mr. Jensen was designated Acting Deputy Attorney General in March, 1985.

[c]Mr. Michel was designated Acting Deputy Attorney General December 21, 1979.

[d]Mr. Ruff was designated Acting Deputy Attorney General August 17, 1979.

[e]Mr. Civiletti was designated Acting Deputy Attorney General December 10, 1977.

[f]Mr. Ruckelshaus was designated Acting Deputy Attorney General August 13, 1973.

[g]Mr. Shenefield served as Acting from August 17, 1979, until appointed.

[h]The Associate Attorney General position was created on March 10, 1977, by Attorney General Order 699-77.

Justice's Efforts to Implement Major Automated Information Systems Need Strengthened Central Management to Succeed

Justice needs to implement a departmentwide program to ensure that automated data processing and telecommunications are planned for, acquired, and used effectively and economically. Without such a central management capability, it has been unable to implement long-standing, high-priority projects, despite several years of effort. It is important that the Department strengthen this program because information technology is a central element in all aspects of its missions. Justice requested more than $445 million in fiscal year 1985, over 11 percent of its total fiscal year budget, to provide data processing and telecommunications for functions ranging from criminal investigations to legal research. The Department plans to devote almost $1.3 billion over the next 5 years to maintain and enhance its information systems.

Under Justice's current organizational structure and operations, the official responsible for information resources management has neither the authority nor the control necessary to effectively plan for these information resources. The Assistant Attorney General for Administration, as head of the Justice Management Division, is the senior official for information resource management. This appointment, however, places the departmental policymaking function for information resources at a level equal to other component heads and within an organization whose mission is predominantly to provide administrative services and automatic data processing. This organizational alignment limits the senior official's ability to effectively set departmentwide policy and control data processing, telecommunications, and systems development activities. In addition, Justice has not developed a comprehensive departmentwide plan for automated information systems and has not effectively used its existing planning and budget review processes to coordinate its components'[1] activities and major departmental initiatives. As a result, Justice components routinely develop and enhance data processing systems and telecommunications networks costing millions of dollars annually without adequate assurance that such systems are cost-effective for the Department as a whole.

We reviewed two such initiatives: a departmentwide litigative case management system and a consolidated departmental telecommunications network. We found evidence of the need to strengthen central management for information resources. Repeated efforts to develop a departmental case management system have not achieved the goal of providing Justice's top management, the Congress, and Office of Management and Budget with needed caseload information. Justice's efforts

[1]This includes the agency's bureaus, litigative divisions, and U.S. attorneys' offices.

to consolidate telecommunications networks have also not succeeded; the Department is continuing to spend about $22 million per year to operate redundant networks. As a result, potential savings of as much as $86 million over 10 years, as estimated by Justice, are not being realized.

Justice Has Been Unable to Implement a Departmental Case Management System

Justice, the Congress, and OMB have unsuccessfully sought a departmentwide litigative case management information system for several years. Since 1977, Justice has initiated several unsuccessful task groups aimed at developing and implementing a departmentwide case management system; it considers its current effort to establish such a system a top management priority. The Department plans to implement a system that will provide the Congress and OMB with summary information on litigative caseload and provide top Justice managers with critical workload information that can be used in making resource allocation decisions.

The Congress and OMB have long-standing concerns about the absence of a departmental system. In 1979, the Senate Committee on the Judiciary expressed concern about the absence of accurate and easily retrievable information on the Department's litigative workload and operations. This concern led to a requirement in the fiscal year 1980 Department of Justice Appropriation Authorization Act that Justice establish compatible, comprehensive case management systems among its litigating components.[2] OMB has also requested the department to improve its management of litigative activities. In a 1979 report,[3] we noted that OMB had severe difficulties in evaluating Justice's requests for additional litigative resources due to the lack of caseload data.

Past Development Efforts Did Not Succeed

The Department has attempted to respond to these concerns for at least the past 8 years and has experienced a number of false starts in attempting to develop a departmentwide case management system. Justice's efforts have included establishing several task forces to develop a system and/or assess the adequacy of current systems.

[2]These components are Justice's six litigating divisions—Antitrust, Civil, Civil Rights, Criminal, Lands and Natural Resources, and Tax—and the Executive Office for U.S. Attorneys (EOUSA).

[3]Department of Justice Making Efforts To Improve Litigative Management Information Systems (GAO/GGD-79-80).

In August 1977, the Attorney General established a task force to develop a departmentwide case management system in response to an OMB request that Justice develop meaningful workload statistics to support its budget requests. This task force concluded that the most expeditious way to obtain the data OMB requested was to permit each litigating component to continue developing its own separate system to satisfy its own management needs. Consequently, each litigating component developed its own case tracking system and proceeded to collect different types of case information. A September 1978 internal evaluation concluded that this approach (i.e., development of individual systems without central management) precluded development of an integrated departmentwide system. Accurate departmentwide statistics on litigative caseload could not be produced by aggregating information from components' individual systems.

In November 1979, Justice initiated a second case management effort by establishing a task force in response to a congressional mandate that the Department submit a plan for the development of compatible and comprehensive case management information systems. The plan, submitted in April 1980, recognized that the Congress, OMB, and Justice needed certain basic information on the caseload of the entire department to make informed decisions on Justice's budget requests. The plan identified common data elements to be collected from all litigating components for aggregation into a departmentwide information system. These elements included such items as the district where a case was filed, the court docket number, client agency, name of the attorney in charge, and the outcome of the case.

In July 1980, to implement its plan, the Department created the Justice Information Systems Center within JMD. This center was responsible for (1) overseeing and coordinating implementation of the plan and (2) developing and implementing a departmental case management system. A departmental system was developed in addition to management systems maintained or being developed by the litigating components and was activated in October 1981. However, as we reported in 1983,[4] the departmental system did not function effectively because data submissions from the litigative components that fed the departmental system were incomplete and unreliable.

[4]Department of Justice Case Management Information System Does Not Meet Departmental or Congressional Information Needs (GAO/GGD-83-50).

For example, the Lands and Natural Resources Division did not have usable data for the departmental system, while the Tax Division provided data for only a portion of its caseload. Although JMD notified each component of the need to submit reliable, complete data, it did not mandate revisions and/or improvements in the components' systems. Instead, JMD continued to compile non-uniform, unreliable, and incomplete data provided by the components as input to the departmental system. In its response to our report, Justice acknowledged that the departmentwide system was so inadequate that a new one must be designed.

Justice Is Again Attempting to Establish a Departmentwide System

In responding to our 1983 report, Justice added that it had recently taken the first step toward a new system in January 1983 by establishing seven objectives for a departmental case management system. These objectives included providing the following information on the Department's total workload:

- accurate aggregate counts of cases and matters;
- summaries of resource utilization, such as attorney time charges; and
- status information on priority cases and matters.

In August 1983, the Deputy Attorney General commissioned a task group to assess the adequacy of current technical support activities, including departmentwide litigative case management. This task group subsequently established a working group, chaired by the Assistant Director, FBI Technical Services Division, and charged it with developing a prototype, departmentwide case management system. This prototype is intended to extract common, case-related data from the existing components' case management systems, thereby providing top managers with summary information on the litigative workload of the Department. The working group completed much of the prototype project. The Deputy Attorney General is now considering whether to implement the prototype as the Department's system. If so, the Deputy Attorney General will also determine which organization within the Department will be responsible for its implementation.

With the support and personal involvement of the Attorney General and the Deputy Attorney General, the current task group appears to have progressed further than most prior efforts. However, Justice has not addressed fundamental data integrity problems with the component case management systems. It must do so before it can implement its current prototype.

Unreliable Component Systems Still Preclude Implementation of an Effective Departmentwide System

Throughout its various development efforts the Department has not provided guidance to its litigative components on how to develop and implement their individual litigative case management systems. Accordingly, Justice's six litigating divisions and the U.S. attorneys' offices have each independently developed systems to meet their own information needs. Without the strong central information resource management needed to assure consistent, reliable systems, these development efforts have resulted in case management systems that still frequently generate misleading information. These systems often

- have varying definitions of case-related terms,
- do not regularly gather and report routine component caseload information, and
- track and count cases also counted by other litigating components' systems.

Uniform definitions of data are needed to support a departmental system. However, litigating components' systems have been developed using differing definitions of basic case-related terms (such as "cases" and "matters"). For example, the Civil Rights and Criminal Divisions define and track a "case" as an event that has reached the courts while defining a "matter" as activities preceding litigation. However, the Antitrust Division defines a "matter" as all activities, including court litigation and preceding investigations. Conversely, Tax Division officials define a "case" as anything contained in its case management system, including events preceding litigation. This variance in definitions precludes an accurate, consistent summarization of the litigative activities of the Department. Consequently, Justice cannot accurately report litigative case workload for the entire Department.

Case information needed to support a departmental system is not always readily available from the litigating components' systems. Several of the systems do not systematically collect and report caseload information from the entire component. For example, according to officials of the Civil Rights Division, only three of its eight litigating sections enter data into the divisional case management system. As a result, this division responds to budget-related requests for divisionwide information by asking individual sections to supply sectional caseload information. The division also cannot systematically report divisionwide caseload information, although it does manually generate one monthly report based on the separate, distinct automated data bases of six litigating sections. Similarly, the Executive Office for U.S. Attorneys cannot readily summarize its national caseload because each of the U.S.

attorneys' offices produces information in varying formats using one of three different case management systems. EOUSA's Assistant Director for Information Systems stated that this required a significant amount of effort to convert, edit, and reformat data. In each of the above instances, a departmentwide system dependent on extracting data from existing systems could not operate effectively.

An effective departmental system should provide accurate case counts. However, several of the litigating divisions' systems track and count cases that are also counted by the U.S. attorneys' offices. This multiple counting of cases overstates the Department's workload when the cases contained in these systems are aggregated. For example, the Civil Division's case management system tracks and counts all cases involving divisional participation, including those referred for action to U.S. attorneys. The U.S. attorneys also track and count cases referred by litigating divisions in their systems. The summation of caseload from these systems leads to the duplicate reporting of cases, according to Justice officials. Ultimately, the Department's total caseload is exaggerated.

The fiscal year 1986 budget request shows that the Civil Division had 40,455 cases pending on September 30, 1984; it does not disclose how many of these cases were referred to the U.S. attorneys. The division's internal statistics show that, for cases pending on September 30, 1984, approximately 25,000 were being handled by the U.S. attorneys. According to EOUSA's Assistant Director, Office of Management Information Systems and Support, the U.S. attorneys also counted and reported cases referred by the Civil Division in the budget, resulting in a substantial caseload overstatement for Justice as a whole.

In contrast to these examples, the Criminal Division recently recognized that full reporting of its cases handled by U.S. attorneys was misleading. The fiscal year 1985 budget request shows that this division had 2,950 cases pending on September 30, 1983, while the fiscal year 1986 President's Budget Appendix showed that it had pending only 372 cases on October 1, 1983. This dramatic reduction occurred because the division decided to stop counting the cases that are primarily handled by U.S. attorneys.

The Department hopes that its current case management prototype will provide its top managers, the Congress, and the OMB with a summary of accurate and timely information and will be used by managers in making resource allocation and budgetary decisions. However, in developing its prototype, the Department needs to address and resolve the

problems of inconsistent definitions, unavailable data, and multiple counting. To resolve these problems, the Department needs to provide overall guidance and direct necessary changes in individual component's systems.

Justice Has Been Unable to Consolidate Its Telecommunications Networks

The Department has not been successful in its recent attempts to curtail its telecommunications costs by consolidating several of its existing telecommunications networks. Justice currently has 20 separate telecommunications networks costing more than $21 million per year for leased services alone, and costs are growing rapidly. Because it lacks strong central management of ADP and telecommunications, the Department has not developed a departmentwide strategy that justifies necessary funding and establishes a coordinated program for consolidating the separate networks now used by the departments, bureaus, and divisions.

In 1981, JMD initiated studies leading to a departmentwide project, the Justice Telecommunications Network (JTN), aimed at controlling telecommunications costs by consolidating 5 of its 20 telecommunications networks. The five networks account for 90 percent of Justice's telecommunications costs. JMD, in attempting to implement the JTN, recognized that these individual networks were redundant and inefficient.

The Department viewed the JTN as a major cost-saving initiative. Justice initially estimated the cost of the consolidation at $38 million, with associated savings of $36 million. Due to escalating telecommunications costs, the Department subsequently projected that savings could be as high as $86 million, over a 10-year period, once the consolidation effort was completed.

In its fiscal year 1985 budget submission, Justice requested $6 million to begin installing JTN. Citing the absence of a coordinated departmentwide ADP and telecommunications strategy, the Senate Appropriations Committee eliminated the funding requested for the JTN. Subsequently, the Congress approved $3 million in funding for the project. The OMB later requested the Congress to rescind this $3 million in funding for the JTN. Although the Congress did not enact the rescission as proposed, the Congress transferred the $3 million to another fund within Justice. Consequently, the funding has been eliminated and the Department has been unable to implement the JTN.

The Justice Management Division has exercised limited oversight and control over the telecommunications activities of departmental components. It has not issued a comprehensive policy or strategy that (1) details departmentwide telecommunication needs and shows how JTN will meet those needs, (2) specifies the networks to be consolidated, (3) explains how the JTN will be implemented, and (4) specifies the technical requirements for JTN to interface with the other telecommunications networks in the Department.

Although the consolidated network was intended to reduce telecommunications costs, JMD continued to approve funding requests from Justice bureaus and divisions to maintain and enhance their own networks through fiscal year 1989—the same time period JTN was to be funded and well beyond the projected dates for JTN implementation. Total departmental expenditures for telecommunications through 1989 were projected to exceed $64 million. The Immigration and Naturalization Service and the Drug Enforcement Administration, which were to be included in the first phase of consolidation, planned to spend over $16 million on telecommunications acquisitions over the same period.

The Department's components informed us that they had little input in the design of the JTN and have little information about the status of the network consolidation and how it will affect their telecommunications activities. For example, INS is moving swiftly on its telecommunications upgrades and expansions without knowing how or when the JTN will be implemented and ultimately affect INS' network operations. Without the benefit of such information, INS has short-term plans for adding terminals, upgrading its communications circuits, and acquiring additional communications equipment to enhance its existing network and long-range plans for more extensive enhancements.

The Bureau of Prisons, also operating with little information about the JTN, plans to upgrade its network. BOP plans to acquire a distributed processing system supported by a complex telecommunications network. According to its automated information systems plan, the bureau anticipates that its network will eventually be integrated with a departmentwide network as an economic necessity. However, officials responsible for ADP and telecommunications were not aware of the current status of, or plans for the JTN; the extent of control over the consolidated network that the bureau would maintain; or JTN's effect on the bureau's plans for distributing processing capabilities to each of its components.

The Drug Enforcement Administration had notified JMD of telecommunications requirements, but officials responsible for DEA ADP and telecommunications informed us they had received no plan or communication regarding the consolidated network. DEA is moving ahead with terminal upgrades but is not sure its enhancements will be compatible with JTN. According to DEA, JMD has not provided adequate compatibility guidelines to ensure that local area networks can communicate efficiently with JTN. Although DEA has been identified as a major user of JTN, DEA officials told us they were unsure if they are to be included in the consolidated network at all because of a problem with accommodating DEA's need for data security. DEA is currently considering the possibility of merging its separate networks with those of the Federal Bureau of Investigation rather than with JTN. The uncertainty of DEA's participation in JTN was cited by OMB officials as an additional rationale for not funding JTN for fiscal year 1986.

Similar to INS, BOP, and DEA, each of the litigating divisions has plans for expanding its own data communications capabilities, generally without knowing how or when these will be integrated with JTN. To satisfy its telecommunication needs, the Civil Division has acquired its own data communications network. Similarly, the Criminal Division plans to acquire a network to support its operations. We found that most of the divisions that were either planning for or operating data communications networks had limited information about JTN and were uncertain about the compatibility of their networks with JTN.

Faced with these inconsistencies, the Department has, to date, not been successful in its arguments to OMB or the Congress that it is, in fact, planning for, budgeting, and controlling departmental telecommunications activities. Without adequate oversight and control of information resources activities, such as departmentwide telecommunications, Justice is not able to ensure the timely, efficient implementation of departmentwide initiatives. Consequently, Justice is missing the opportunity to achieve substantial savings by implementing departmentwide initiatives aimed at controlling telecommunications costs.

Justice Needs to Strengthen Its Central Management of Information Resources

The Department of Justice has not implemented a strong departmentwide information resources management program to ensure that automatic data processing and telecommunications technologies are planned for, acquired, and used effectively, efficiently, and economically. The Department's problems in attempting to implement a departmental case management system and a consolidated telecommunications

network clearly demonstrate the need for an effective IRM program. The Paperwork Reduction Act of 1980 sets the stage for strong management by requiring agencies to appoint a senior official to manage ADP and telecommunications resources. Justice has named the head of JMD—the Assistant Attorney General for Administration—as its Senior Official for Information Resources Management, but he has not played an effective role in coordinating and controlling the development and growth of ADP systems throughout the Department.

Although Justice's senior official has not officially delegated his information resources management responsibilities, the Office of Information Technology (OIT) within JMD maintains primary responsibility for managing the Department's automatic data processing and telecommunications resources on behalf of the Assistant Attorney General for Administration. This office is charged with the dual responsibility of (1) managing the Department's central computer facilities and telecommunications resources and (2) developing departmental policies, reviewing automated information systems plans, and developing and implementing specific automated systems. Although OIT is responsible for departmental policymaking on ADP matters, many of its activities are aimed at (1) developing and maintaining central automatic data processing operations and (2) providing ADP services to Justice components. This places OIT on an equal footing with other components' data processing activities and, in effect, makes them competitors—an alignment we believe works at cross purposes to OIT's policymaking responsibilities.

The Paperwork Reduction Act Requires Strong Central Management of Information Resources

The purpose of the Paperwork Reduction Act is to ensure that agencies acquire and use automatic data processing and telecommunications technologies in a way that improves service delivery and program management; increases productivity; reduces waste; and minimizes the cost to the federal government of collecting, maintaining, using, and disseminating information. The act requires that each agency designate a senior official responsible for information resources management to report directly to the head of the agency. The senior official designation establishes an identifiable line of accountability for agency information management activities.

Among other responsibilities, the act requires the senior official to ensure that information systems do not overlap each other or duplicate the systems of other agencies and that procurements are conducted in an efficient, effective manner. Although the act does not specify in detail the actions to be taken by the senior official and the agency in

establishing an information resources management program, the purpose of such a program is clear. Information resources management, according to the act, aims at improving the planning, budgeting, organizing, promoting, and controlling of information activities, including automatic data processing and telecommunications. To achieve those purposes, agencies need to manage information resources in a manner that maximizes the effectiveness, efficiency, and economy of information-processing activities.

Justice Lacks the Organization and Mechanisms Needed for Effectively Managing Information Resources

In 1984, Justice informed Congress that it would develop a comprehensive departmental information resources management program that would include a wide range of information-related activities. However, that program has not been completely effective. In the past, Department management contended that its lack of progress was due, at least in part, to a lack of OMB policy guidance on implementing the information resources management requirements of the Paperwork Reduction Act but that it had moved toward implementing the act by establishing an automated information system planning process. Regardless of the reasons for delay, our evaluation of departmentwide ADP and telecommunications initiatives shows that important projects are suffering from the lack of departmental direction and control. Justice's long-standing need for a departmentwide litigative case management system has led to several efforts, spanning 8 years, but the Department has been unable to effectively establish such a system. Similarly, while the costs of redundant telecommunications networks are rising rapidly, the Department has been unsuccessful in implementing a consolidated telecommunications network that it estimates could save up to $86 million in a 10-year period.

In 1982, the Department initiated a process for planning its ADP and data telecommunications activities. However, to date, according to Justice officials, no departmental plan has been developed. Because Justice lacks such a plan, it is forced to rely on individual component plans for direction and control. As a result, the Department cannot adequately assess the ADP and telecommunications initiatives of its components in terms of their relative importance or contribution to the accomplishment of departmental goals and objectives. The Department is missing opportunities to identify and consolidate similar requirements and initiatives throughout its components. As a result, bureaus and divisions annually spend millions of dollars on ADP and telecommunications projects with no assurance that these projects are cost-effective to the Department as a whole.

The Department's budget review process has not been an effective mechanism in controlling ADP and telecommunications. Although JMD's OIT staff reviews annual budget submissions from components, its role, according to OIT officials, has been strictly advisory to Justice's Budget Staff and Budget Review Committee. In performing the budget review, OIT has not fully identified opportunities for departmentwide savings, as evidenced by the simultaneous funding of the JTN and major enhancements to those networks to be consolidated.

Other factors preclude Justice from implementing an effective information resources management program. The scope and efficacy of JMD's authority to direct component action on ADP and telecommunications activities is not clear. Under federal regulations, JMD's information resource management responsibilities include (1) formulating department policies, standards, and procedures for information systems and the management and use of automatic data processing equipment and (2) providing the final review and approval of systems, procedures, and standards for use of data elements and codes. However, the Acting Director of OIT during our review maintained that these responsibilities pertain only to departmentwide systems and do not impart the authority for JMD to direct changes to component systems.

Justice's current attempt to implement a departmentwide case management system illustrates the lack of clarity regarding JMD authority over information resources. According to the Acting OIT Director, JMD does not have the authority to mandate any revisions in existing divisional case management systems that would be needed as a result of the new departmentwide case management system; any such changes, he contends, would have to be authorized (at a level above JMD) by the Associate Attorney General. In contrast to this view, the former Acting Deputy Assistant Attorney General for Administration felt that JMD does have the authority to require consistent, reliable submissions and require changes in divisional systems. However, he contended, JMD has simply not utilized this authority in the past.

Conclusions

Given its dependence on ADP and telecommunications to support day-to-day activities and its plans for new systems, the Department needs to strengthen its central management of information resources to ensure efficient operations and the timely, economical implementation of initiatives aimed at improving its current information systems environment. Only by increasing attention in this area will Justice be able to avoid missing opportunities to identify and consolidate similar information

systems and initiatives throughout its components. Furthermore, only through stronger central oversight will the Department ensure that the costly ADP and telecommunications activities of its components are cost-effective to the entire Department. However, Justice does not have the mechanism to provide these assurances.

The Senior Official for Information Resources Management has not yet developed a departmentwide plan for ADP and telecommunications. Also, Justice's budget review process is not effective in controlling ADP expenditures. Finally, under Justice's current organizational structure, the official responsible for information resources does not have effective control over the planning, acquisition, and use of ADP and telecommunications throughout the Department. That structure combines inherently conflicting policymaking and service delivery functions.

Recommendation

To strengthen the management of information technology within the Justice Department, we recommend that the Attorney General develop a plan for managing the Department's information resources. To insure successful plan development and implementation, the senior official responsible for IRM should be experienced in the planning and program coordination of IRM and clearly possess the authority to direct component actions on automated data processing and telecommunications activities in order to insure that component plans, budgets, and activities conform with goals established by the DRB and the departmental plan.

The Department Has an Opportunity to Improve Its Financial Management Environment

In both its 1984 and 1985 assessments required by the Federal Managers' Financial Integrity Act, the Department reported to the President and the Congress that a significant portion of its resources is accounted for by systems that are not in full conformance with the Comptroller General's accounting principles, standards, and related requirements. Recent efforts by OMB and the Congress to focus attention on improving financial management and internal controls governmentwide have prompted a departmental approach to addressing financial management deficiencies. The Department has developed a plan to correct the deficiencies in its accounting systems. The plan was finalized in September 1985. Top management's continued involvement and commitment is necessary for the plan to succeed and the financial management environment to improve.

Financial Management Environment of the Department of Justice

The Department's financial management environment consists of six general ledger systems, one within each major organizational component; 45 supporting systems; and a Central Personnel/Payroll System. The systems account for and control approximately 40 different fund accounts totaling about $4 billion annually. These systems taken together are used to (1) make payments, (2) control assets and liabilities, (3) record the receipt of funds due to the government, and (4) produce required internal and external financial reports. The six systems are automated and non-standard in their design, reports produced, and input procedures.

The six general ledger systems provide only for a small part of the Department's overall system of financial internal controls. The controls over the propriety of disbursements are appropriately included in the subsidiary financial management systems that support the general ledger systems. The general ledger systems receive summary information on the status of assets and liabilities and on the financial results of program and administrative operations from the 45 supporting subsidiary systems.

Requirements for an Effective and Efficient Financial Management Environment

Federal agencies are required to maintain a system of financial and related records so that needed information on resources, liabilities, obligations, expenditures, revenues, and costs can be reported to internal management, other agencies, the Congress and, ultimately, to the public. Further, the Budget and Accounting Procedures Act of 1950 sets forth broad overall objectives that each agency's accounting system should achieve:

- full disclosure of the financial results of agency activities;
- production of adequate financial information needed for agency management purposes;
- effective control over and accountability for all funds, property, and other assets for which each agency is responsible;
- reliable accounting results to serve as the basis for preparing and supporting agency budget requests, for controlling the execution of the budgets, and for providing financial information required by OMB; and
- suitable integration of agency accounting with the central accounting and reporting operations of the Treasury Department.

Deficiencies Exist in the Department's Accounting Systems

In both its December 1984 and January 1986 letters to the President and the Congress required by the Federal Managers' Financial Integrity Act, the Department recognized that its accounting systems and processes cannot be relied upon to accurately account for and control a significant portion of the Department's resources. Many of the Department's accounting systems are fragmented and labor intensive, and most of the supporting systems are not integrated with the general ledger systems. This fragmentation makes sharing and consolidating information among the systems slow and cumbersome.

Systems Do Not Provide Timely and Accurate Financial Data

The Department's supporting systems are not fully integrated with the six general ledger systems. The financial data provided by the systems, although being relied upon for controlling and monitoring funds, are not timely, accurate, or complete. According to the Department's 1984 and 1985 Financial Integrity Act assessments, Justice's financial data do not serve the needs of management.

For example:

- DEA does not use the latest available computer technology to generate reliable and timely financial data. Field activities submit vouchers and purchase orders in hard copy form to headquarters for entry into the general ledger system. The Chief of the Accounting Section at DEA indicated that the general ledger system processes approximately one million hard copy documents a year. The official said that although progress has been made in preparing accurate financial reports, financial data are still incomplete, unreliable, and untimely.
- In JMD, an official stated that the information in the general ledger system is not accurate. Reports from field locations are frequently late, inaccurate, and difficult to verify. Furthermore, the means used to

transmit the data are not properly designed. For example, transactions received from the U.S. Marshals Service are entered into the general ledger system and JMD's Accounts and Reports Branch is responsible for correcting errors. Edit checks are not performed on the data prior to transmission. According to the Chief of the Accounts and Reports Branch, nine people spend 4 hours a day correcting errors. In addition, these individuals spend 70 hours of overtime each month correcting errors. This time—both regular and overtime—is spent during the first 2 weeks of each month because that is when the data from the U.S. Marshals Service are due and must be entered, corrected, and processed so that the month-end reports can be prepared.

Improvements Needed in the Department's Debt Collection Efforts

The Federal Claims Collection Standards require federal agencies to "take aggressive action, on a timely basis with effective followup, to collect all claims of the United States." However, the systems and processes used to control and report upon the debts the Department is responsible for collecting are inefficient. Therefore, debts owed to the government are not properly accounted for or collected in a timely and effective manner. We found indications of these problems with respect to INS' collection efforts, use of the Working Capital Fund, use of the Environmental Protection Agency's Superfund, and affirmative litigation collections.

Improved Debt Collection System Would Enhance INS' Efforts

As of October 1, 1985, INS reported to Treasury that $14 million of its $16 million in outstanding receivables for fines and penalties were delinquent, with about $7 million being more than 1 year past due. Within INS, the Office of General Counsel is responsible for collecting delinquent debts owed to the government after the finance staff has been unsuccessful.

Significant progress has been made in INS' debt collection efforts—collections have increased from an average of $100,000 in fiscal 1981 to $2 million in fiscal 1984. However, staff in the Office of General Counsel have indicated that they continue to be hampered by poor records maintained by INS' program and finance offices. For example:

- In INS' Southern Region, over 80 percent of all bills referred to the Office of the General Counsel for collection contain errors, such as incorrect interest and penalties or handling charges, and bills previously paid were again submitted for collection.

- In INS' Northern Region, dunning letters were sent to accounts already paid and accounts referred for collections had no interest amount.

INS' Assistant General Counsels told us that the information maintained by the general ledger system is inaccurate and unreliable, and therefore, they do not use the information prepared by the system. Instead, they maintain information on small personal computers in each of the regional offices. The Office of the General Counsel requested a new system be developed centrally to maintain better information on debts owed the government. According to an INS official, information on how much a company owes to the government is not readily available and has to be prepared manually for each regional office. The new system, however, has been deferred for another year because of higher priority work and the lack of funding.

Working Capital Fund Receivables Are Not Being Recovered

Improvements are needed in the accounting operations of the Working Capital Fund to ensure that amounts due the Department by its components and other federal agencies for services provided are billed and collected. A recent audit performed by an independent contractor disclosed that (1) the Working Capital Fund has not recovered all costs the Department incurred in providing services, such as payroll processing and telecommunications, to its customers, and (2) the subsidiary records were not maintained to effectively monitor the status of individual accounts. For example, some receivables billed before fiscal year 1983 remained outstanding as of September 30, 1983. Further, the auditors indicated the need to write off $135,000 in accounts billed before fiscal year 1982 and to establish a reserve of $272,000 for potentially uncollectable accounts billed in fiscal years 1982 and 1983 that remained outstanding.

We discussed this matter with JMD's Finance Staff personnel and were informed that some receivables were uncollectible because

- reimbursable agreements were not entered into or were not signed by the requesting activity and
- reimbursable agreements lacked necessary information for billing purposes.

Inadequate Cost Information for Billing the Superfund

The Department is authorized by law to bill against EPA's Superfund for services rendered in litigating Superfund cases. To accomplish this, the Land and Natural Resources Division's Legal Time system is used to

determine the cost incurred and the amount to be reimbursed. However, a recent audit by JMD's Audit Staff found that this system lacked adequate controls to provide assurance that personnel costs associated with Superfund cases were calculated, accumulated, accounted for, and charged in accordance with government accounting standards. As a result, the Audit Staff could not confirm that the cost reflected in the Department's records represented an accurate assessment of the personnel costs assigned to Superfund activities. Further, the auditors reported that because of the numerous deficiencies they identified in the system, there is no reasonable assurance that the Superfund is being charged accurately. Subsequent to the audit, the Division, in cooperation with JMD's audit and finance staffs and EPA, has revised its procedures to ensure that costs are charged in accordance with government accounting standards.

Department's Affirmative Litigation Collections Are Not Reported in Its General Ledger System

The Department is not recording certain affirmative litigation collection activity. Generally, the Department's litigative activities involve matters referred to it by other federal agencies. Sometimes, however, the Department initiates actions on its own. This action is called affirmative litigation. Justice currently does not establish accounts receivable for these debts in its general ledger system, creating an inaccurate picture of the Department's financial status. Instead, it treats this activity as if an action had been referred to Justice by another federal agency and that agency was maintaining the account receivable. The Department could not provide a breakout of the number and amount of affirmative litigation cases that should be reported as its own accounts receivable.

Better Property Accounting Is Needed

The purpose of financial property accounting is to provide reliable and systematically maintained records of an agency's investment in property. Each agency should adopt accounting policies appropriate for its property and establish, as an integral part of its accounting system, an adequate and reliable system of records and related procedures to provide a proper accounting for the government's investment in the property for which the agency has management responsibility. Department components' property accounting systems are fragmented and are not capable of adequately accounting for and controlling the personal property for which they are responsible. For example:

- DEA maintains seven separate property systems, distinguishing property by type, such as firearms, aircraft, and vehicles. The seven systems were not integrated with the general ledger system. Therefore, to obtain

a consolidated property dollar value, seven different reports must be obtained and manually added. Since the subsidiary records are maintained by various offices, general ledger totals must be reconciled with the physical inventory and the subsidiary ledgers before an accurate property figure can be generated. However, DEA's most recent physical inventory was taken in 1983 and the results had not been used to reconcile DEA's accounting records.

- INS' personal property is controlled by five property systems—one in each of its four regional offices and one in INS' central office. These systems do not automatically update the general ledger system. In INS' Central Office, a physical inventory was conducted in 1983 and the property ledger and general ledger accounts were adjusted for the first time in 10 years. A $2.8 million adjustment was necessary. Although the Central Office has management oversight responsibility over the four regional offices that made similar adjustments, key personnel in the Central Office were unable to readily provide the amount of the adjustments.
- The FBI in fiscal years 1983 and 1984, as part of the annual assessment of its accounting system as required by the Federal Managers' Financial Integrity Act of 1982, reported to the Attorney General that its property accounting records were not reconciled to its general ledger accounts.

Adequately accounting for property held by federal agencies is important because public funds are invested in such resources. This investment creates the management need to be able to account for these resources and to use all appropriate techniques, including reliable financial information, to procure, use, and manage resources properly, efficiently, and effectively. Accurate and reliable financial and quantitative information on property can be obtained only from a properly designed and operated system of accounts and related procedures.

Ineffective Seized Asset System

The Department does not have an effective system to account for total seizures or forfeitures on hand or disposed of or to determine the net value of assets forfeited. In addition, it cannot determine the costs incurred in protecting and maintaining the seized assets. The Department acknowledged on December 31, 1984, that the JMD general ledger accounting system, used to account for seized and forfeited assets departmentwide, has numerous deficiencies. According to the Department's Financial Integrity Act response, reports from field locations are frequently late, inaccurate, and difficult to verify; subsidiary records cannot be reconciled to the general ledgers without extensive manual procedures, and financial policies and accounting processes need to be

improved in managing and safeguarding seized and forfeited assets. As a result, the Department will not be capable of accumulating and reporting accurate and reliable cost data on seized and forfeited assets. The Department recognizes the need for cost information in the seized assets area for monitoring its activities and intends to develop a system capable of providing such information.

Department's Efforts to Improve Financial Management

The Department has previously taken a component-oriented approach to system development. Historically, each component planned, developed, and implemented systems to meet their own needs. There was no overall departmentwide financial management plan to determine if systems were being designed in the most efficient and effective manner. This approach resulted in unnecessary costs being incurred as the components developed separate systems to meet similar accounting requirements. Further, the lack of a departmentwide comprehensive financial management plan has caused the Senate Appropriations Committee and OMB to delete funding requests for specific system enhancement projects.

The Department, in September 1985, finalized its comprehensive departmentwide financial management plan. The plan provides the Department an opportunity to address the numerous problems it reported to the President and the Congress in December 1984.

Lack of a Comprehensive Plan Has Affected Efforts to Improve Financial Management

The lack of a comprehensive financial management plan has affected the Department's ability to obtain funding to improve financial management. OMB rejected JMD's fiscal year 1985 budget request for the accounting system redesign effort with directions to study the feasibility of developing a single, departmentwide accounting system. JMD, through the use of an outside contractor, had a feasibility study performed. Based upon the results of the study, JMD decided to develop the Financial and Administrative Management Information System as a prototype financial management system for the Department. According to a Justice official, OMB subsequently approved the request, but it was deleted from the Department's fiscal year 1985 appropriation by the Congress. Concerned that the Department did not have a departmentwide ADP plan, the Senate Appropriations Committee denied requested increases for JMD's financial systems.

In fiscal year 1986, the Department again requested funding for its redesign effort. OMB disallowed the request because the Department did not adequately justify how the Department would phase in its components

to form a single integrated departmentwide system. According to a JMD official, the Department received a 10 percent reduction—about $1.8 million —in its administrative budget. As a result, funding for enhancement efforts in the management and administrative area will not be available in fiscal 1986.

In April 1985, OMB informed the Department that it should finish developing the requirements analysis for a departmentwide accounting system. According to OMB, these requirements should be provided to the Department of Transportation for use in its project to develop a generic accounting system which can then be used by the Department of Justice as well as other agencies. In addition, OMB stated that no upgrading of the Department's accounting systems should be undertaken until the generic accounting system is developed. According to a JMD official, the Department views OMB's April 1985 memorandum as applying to new system development efforts, not enhancement efforts that were initiated before April 1985. We discussed the interpretation with OMB. An OMB official told us he had no problem with this interpretation.

The Department Has Developed a Financial Management Plan

The Department has established a management process to meet the requirements of OMB Circular A-127. The circular prescribes policies and procedures to be followed by executive departments and agencies in developing, operating, evaluating, and reporting on its financial management systems. The circular also stipulates that agencies shall establish and maintain a single, integrated financial management system, which may be supplemented by subsidiary systems.

The Department in its efforts to develop and implement a plan established two groups—the Financial and Accounting Working Group and the Financial Management System Oversight Committee. The Financial and Accounting Working Group consists of staff from each component and is responsible for assessing financial management issues and coordinating action among the various components. The Financial Management System Oversight Committee is comprised of senior financial management personnel from each component. The Committee is cochaired by the Deputy Assistant Attorneys General Office of the Comptroller and the Office of Personnel and Administration. The Committee is responsible for establishing priorities for system enhancement. The work of these two groups resulted in the September 1985 departmentwide financial management system plan.

The plan provides for new system development efforts to be viewed from a departmentwide perspective. For example, when a component requests an enhancement to one of its systems, it would be viewed as a departmentwide initiative and looked at across the Department to determine where else it is needed and whether a similar system already exists in the Department that can be used. If a system is not available, a prototype design will be developed to be used where needed. This approach should help eliminate design fragmentation and possibly save money by preventing additional design costs from being incurred. Further, once these systems are in place, it will make it easier for information to be compiled to meet departmentwide reporting on administrative and program operations. The Department has embarked upon a sound approach in improving its financial management environment. Representatives from each major component participated in the development of the plan. The involvement of the components is vital to building consensus for the plan and is the primary means the Department has to ensure all viewpoints are considered.

According to members of the Working Group, JMD has assumed a leadership role. According to Finance Staff officials, JMD has always had an oversight responsibility for financial management in the Department but it never fully exercised its role. In the past, JMD was mainly concerned with system review and documentation. It was the departmental focal point ensuring all appropriate system documentation was prepared before being submitted to GAO for formal system approval. The major components, such as DEA, FBI, and INS, are very supportive of JMD's leadership role. The FBI representative has given the strongest endorsement, stating that the Department's current efforts are the only way the requirements of OMB Circular A-127 can be achieved. However, according to JMD personnel, top management has not yet indicated its support for the on-going efforts. Without the full support and commitment of top management it is doubtful if the current initiative will succeed.

Significant Enhancement Efforts Underway

The Department has several efforts underway aimed at improving its financial management environment. These efforts involve both short- and long-range system enhancements, initiated before April 1985, that will cost over $78 million over the next few years. The efforts are not limited to any one component but are being undertaken throughout the Department. Some components are redesigning their entire financial management structure, such as the FBI, while other components, such as DEA, are enhancing specific segments. In our opinion, it is too early to

determine whether these, and similar projects, will resolve the Department's financial management problems. The Department must ensure that each project is incorporated into the overall financial management plan. Unless these ongoing projects are considered within the plan, the problem of system fragmentation will continue.

Conclusions

The Department has recognized its financial management deficiencies and has efforts underway aimed at correcting them through short- and long-range system enhancements. In addition, Justice has developed a comprehensive financial management plan directed at improving its financial management environment.

Long-term system enhancement efforts of this nature will require a sustained effort. Management should closely monitor these developmental projects to ensure that they correct known system problems. A continued high degree of interest and oversight by the Department's management toward these efforts should increase the likelihood that the Department's accounting operations can conform to the Comptroller General's accounting principles, standards, and related requirements.

Improved financial management systems are essential to providing top management information necessary to make key decisions and provide a broad perspective on program activities. The Department's development of a financial management plan is a step in the right direction. The Department has embarked upon a reasonable approach aimed at improving its financial management environment. Representatives from each major component participated in the development of the plan. The involvement of the components is vital to building consensus for the plan and is the primary means the Department has to ensure that all viewpoints are considered.

The Attorney General has an opportunity to improve the Department's financial management environment and establish a departmentwide strategy through the use of the current financial management plan. The problems discussed can be corrected but only if they are given priority and sustained effort. The impetus that began with the development of the Department's financial plan must continue. A comprehensive financial management strategy is necessary if the Department is to correct its financial management problems. The successful implementation of the Department's plan is needed to preclude continuation of fragmented system development efforts.

Recommendations

We recommend that the Attorney General

- establish milestones for completing specific tasks needed for implementing the financial management plan and ensure that the milestones are strictly adhered to and
- ensure that a primary objective of each system enhancement effort is to conform the system, when implemented, with the Comptroller General's accounting principles, standards, and related requirements.

While the Department is implementing its long-term financial management plan, we believe that specific short-term actions can be taken to improve financial management. We therefore recommend that the Attorney General ensure that

- an effective system be developed to assist INS' Office of the General Counsel in its debt collection efforts,
- appropriate internal controls and procedures be implemented so that the Working Capital Fund recovers all costs incurred and thereby precludes the need to write-off future accounts receivables,
- the Land and Natural Resources Division establish means to ensure that all future billings against the Superfund are based on actual costs incurred,
- affirmative litigation collections be recorded in the Department's general ledger, and
- an effective departmentwide system be developed to account for total seizures and forfeitures.

Procurement at the Department of Justice

Although required federal procurement reforms cover many activities, we believe that two fundamental conditions are necessary as the cornerstones for the Department of Justice, or any other federal agency, in developing an adequate procurement system. The first condition is to establish the procurement executive at a level in the department that provides the support and authority needed to accomplish departmentwide improvements and deal effectively with historically independent component procurement operations. The second condition is to provide the executive with complete information on and access to Justice's procurement activities in order to evaluate them, design needed improvements, and monitor their implementation.

Our review disclosed the following procurement issues that we believe warrant the attention of Justice's top management:

- providing Justice's procurement executive with sufficient authority to effectively deal with historically independent component procurement operations,
- developing Justice's procurement information system to provide the procurement executive with the data needed to evaluate and improve departmentwide procurement activities,
- including proposed contracts at the FBI in the departmental review and oversight provided by the procurement executive for other Justice components.

Recent Federal Procurement Reform Efforts

During the last few years there have been several actions taken by the President and the Congress to improve federal procurement activities. In 1982, Executive Order 12352 required executive agencies to establish a procurement executive with the authority and responsibility for

- overseeing the development of procurement systems and
- evaluating the agency's procurement system's performance in accordance with approved criteria and certifying to the agency head that procurement systems meet these standards.

In June 1982, Justice appointed a procurement executive with responsibility for carrying out these reforms. In 1983, Public Law 98-191 further broadened the procurement reform effort to include establishing clear lines of contracting authority and accountability for procurement decisionmaking. It also required that the procurement function be placed at a level in the agency that provides direct access to top management and

comparative equality with program managers in the agency's component organizations. The Office of Federal Procurement Policy has issued detailed criteria describing what steps should be taken for an executive agency to improve its procurement system.

Justice Procurement Activities

Justice's procurement activities are decentralized among seven principal procurement operations having hundreds of field offices with varying levels of small purchasing authority. Three activities—the Drug Enforcement Administration, Federal Bureau of Investigation (FBI), and Office of Justice Programs— have central offices that do their contracting for large purchases. The Procurement Services Staff in the Justice Management Division provides centralized contracting for Justice's 25 offices, boards, and divisions. The U.S. Marshals Service also conducts its contracting at two separate headquarters procurement offices. The Bureau of Prisons and the Immigration and Naturalization Service contract for goods and services at both headquarters and regional offices. In addition, each of the over 40 federal prisons and institutions does its own contracting. All of Justice's procurement activities have historically operated independently with little policy direction and oversight from departmental management.

In fiscal year 1984, Justice purchased about $473 million of goods and services, with about 580,000 procurement transactions. As seen in table V.1, the FBI and Bureau of Prisons accounted for almost one-half of the total expenditures. Goods and services procured ranged from food for prisoners at federal institutions to ammunition and weapons for law enforcement personnel. A major category of expenditures was for automated data processing equipment and services.

Table V.1: Justice's Fiscal Year 1984 Procurements by Component

(000 omitted)

Component	Number of transactions	Total expenditures	Percentage of expenditures
Federal Bureau of Investigation	17	$115,426	24.4
Bureau of Prisons[a]	80	109,677	23.2
Procurement Services Staff	36	76,268	16.1
Immigration and Naturalization Service	328	68,663	14.5
United States Marshals Service	101	53,016	11.2
Drug Enforcement Administration	16	39,031	8.3
Office of Justice Programs	2	10,839	2.3
Total	**580**	**$472,920**	**100.0**

[a]Does not include Federal Prison Industries, Inc.

Justice's Contract Review Committee

In January 1981, Justice established a Contract Review Committee (comprised of five high-level Justice officials) to oversee departmental procurement activities. The Committee was created in response to concerns within Justice and in Congress over Justice's poor procurement practices. The Committee reviewed contracts before they were awarded to ensure compliance with procurement statutes and regulations as well as Justice's procurement policies and procedures. GAO recently evaluated the Committee's operations.[1] GAO concluded and Justice officials agreed the Committee reviews had improved Justice's contracting.

In February 1985, the formal Committee was disbanded, and the review function was placed under the procurement executive and expanded to include all proposed contracts over $25,000. Before February 1985, the Committee reviewed proposed competitive contracts over $100,000 and noncompetitive contracts over $50,000. The additional coverage will provide the procurement executive with more information on and control over Justice's contracting activities. Justice plans on reviewing this new threshold later this year to see if it should be raised.

The Procurement Executive's Authority

The procurement executive needs top management support and the requisite authority to impose necessary departmentwide procurement system reforms considering the historically independent component procurement offices.

[1]Justice Can Improve Its Contract Review Committee's Contribution to Better Contracting (GAO/GGD-84-97, Sept. 28, 1984).

In June 1982, the Attorney General appointed a procurement executive for Justice who reported to the Deputy Assistant Attorney General for Personnel and Administration. The executive's charter provided the responsibility for

- prescribing and publishing the Department's procurement policies;
- establishing clear lines of contracting authority and accountability;
- designating contracting officers; and
- evaluating, improving, and monitoring the Department's procurement system to certify to the Attorney General that the system meets approved operating standards.

However, the executive also had another full-time job as Director, Procurement and Contracts Staff (now called the Procurement Services Staff). As a result, the development of departmentwide policy and evaluating procurement operations to design improvements had to compete with the day-to-day problems of buying for the 25 headquarters offices, boards, and divisions. For example, efforts to establish standards for contracting officers and to analyze departmental procurement data needs were slow in developing, and evaluations of component procurement operations were not done. A February 1984 report by Justice's Evaluation Staff found problems in the executive's organizational placement, noting that the executive was too low in the organization to deal effectively with departmentwide oversight and improvement initiatives. Our review confirmed this observation.

Justice recognized the problems faced by the procurement executive needed resolution and considered several organizational changes beginning in early 1984. In February 1985, the procurement executive's office was reorganized. This reorganization (1) deleted the responsibility for operational procurement; (2) consolidated departmentwide policy, review, and evaluation; (3) raised the executive's reporting level directly to the Office of the Assistant Attorney General for Administration; and (4) revised the executive's charter to include the departmentwide contracting reviews previously done by the Contract Review Committee. However, according to a Department official, when the reorganization was finalized, the executive's charter inadvertently omitted responsibility to designate contracting officers.

A new procurement executive is now being selected. Several interim executives have served in this position since October 1984. The executive's staff now consists of seven professionals with an additional position having been requested to work on the expanded number of

proposed contract reviews necessary since the threshold for review dropped to $25,000.

The current delegation of contract authority goes directly from the Attorney General to the heads of the seven organizational components. This, coupled with the inadvertent omission of the executive's authority to designate who will be contracting officers, diminishes the executive's authority and ability to direct departmentwide reform efforts. These conditions are inconsistent with the guidelines provided by the Office of Federal Procurement Policy. The guidelines show the executive (1) designating who will be given contracting officer authority and (2) being placed high up in the chain of an agency's contract authority delegations.

While there is no requirement to change the current conditions, we suggest that the Attorney General consider the following actions to enhance the executive's authority and provide strong top management support for procurement reforms.

- Provide the procurement executive with the authority to designate contracting officers.
- Delegate the contracting authority to the procurement executive who can then redelegate it to the organizational components.

Departmentwide Procurement Information System Development

The procurement executive needs to have information on all agency procurement activities to fully evaluate the procurement system, implement needed changes, and certify to the Attorney General that the procurement system meets approved operating criteria. For example, to design needed improvements the executive needs information on what components are getting the best prices, achieving the widest competition, or most efficiently managing supply inventories. Justice has both short- and long-term efforts underway to develop departmentwide procurement information. We believe these initial efforts, when completed, should provide the procurement executive the information needed to evaluate and improve the procurement system.

In the short term, to determine how to provide improved procurement data and increase communication between components, Justice had a private contractor study the current automation capabilities in all seven component procurement operations. A draft report submitted in March 1985, provides several alternatives for placing all Justice organizations' basic contracting data onto a single information system and providing

automated data, such as standard contract clauses, for use by all components. Justice is reviewing the draft report and its recommended alternatives.

For the long term, Justice has been developing a departmentwide Financial and Administrative Management Information System (FAMIS) with the help of a private contractor. This financial system will also contain data on Justice's purchases and inventories, which is integral to any procurement information system. If current contract schedules are met, a pilot procurement management information system could be tested in one component by fiscal year 1988. Justice plans to bring the other six components into the system shortly thereafter.

During our review, we found several problems in the design plans for the departmentwide procurement management information system. After discussions with the private contractor and Justice officials, these problems were resolved. We were told that the contractor will now be responsible for ensuring that the new system has the capability to meet all departmental data input, output, and manipulation needs. The contractor will meet with all of Justice's procurement operations to obtain all component specific as well as departmental data needs and address all of these requirements in the initial system design. In addition, the development effort was revised to reflect the procurement information system criteria provided by the Office of Federal Procurement Policy. For example, the numerous criteria provided include requirements for screening proposed procurements for participation in various socioeconomic programs (for example, procurement set aside for small business) and for cost and scheduling data to analyze contractor performance. We believe that the planned system will have the capability to meet the procurement management information needs of each component procurement operation. It will also provide the procurement executive a necessary tool for departmental oversight and evaluation.

One factor may delay the departmentwide procurement system's development. The fiscal year 1986 funding to continue developing the departmentwide financial and accounting system was not approved by the Office of Management and Budget. Justice is now considering alternative courses of action to ensure continued development of a departmentwide procurement management information system.

Departmental Review and Oversight Excludes FBI Contracts

The procurement executive needs information on and access to all of the Department's procurement activities to achieve procurement system reforms. However, the FBI, which spends about 25 percent of Justice's procurement dollars, has been granted an exclusion from departmental procurement reviews of proposed contracts. These reviews, conducted by the procurement executive, were previously done by the Contract Review Committee.

Although questioned FBI procurements had been cited by Justice as contributing to the Committee's establishment, the FBI in 1980 requested that it be exempt from such oversight. The FBI based its request on having recently established its own contract review board and because it had contracts containing classified information requiring limited exposure. In considering the FBI's request, Justice weighed four options: (1) treating the FBI like other Justice organizations, (2) exempting the FBI from the Committee's jurisdiction, (3) requiring the FBI to provide summaries of its board's reviews to the Committee for concurrence, and (4) requiring the FBI to submit to the Committee only those contract proposals not involving classified information or operations. The second option—exempting the FBI completely—was the one chosen.

The FBI's contract review board had different review thresholds than the Committee, and from those now used by the executive's office. The FBI board reviews all proposed procurements of $250,000 or more; all noncompetitive, restricted competitive, or research and development procurements of $100,000 or more; and selected contracts under $100,000 after approval by the contracting officer. The executive's office as of February 1985 reviews all proposed contracts over $25,000 without regard to type. Thus, FBI contracts that are now beneath the FBI review board thresholds would be reviewed if they were under the procurement executive's oversight. In any event, the FBI's contract review results are not available to the procurement executive.

Several members of the executive's staff are already cleared by the FBI to review classified information and have dealt with similar security requirements on classified procurement transactions for other components. Also, most FBI contracts do not include any classified information and do not involve any security considerations. For example, in fiscal year 1984 about 7 percent of the FBI's contracts (9 percent of contract dollars) were classified; less than 1 percent were classified top secret.

Conclusions

We believe that excluding the FBI from departmental procurement reviews diminishes the procurement executive's ability to achieve desired procurement reforms by continuing to exclude 25 percent of Justice's contracting activity from departmental oversight. Basing the FBI's exclusion on security grounds does not seem justifiable considering the limited number of contracts involving security considerations. Also, members of the executive's staff are cleared to review classified information. Furthermore, when the original exclusion decision was made, the benefits of the Contract Review Committee were unknown. Since then, the departmental contract review function has been expanded and its benefits recognized by Justice's procurement officials. For these reasons, we believe that the continuation of the FBI's exclusion is no longer warranted.

Recommendations

We recommend that the Attorney General rescind the exclusion of proposed FBI contracts from departmental review.

The Organized Crime Drug Enforcement Task Forces: Observations on DOJ's Approach in Implementing a New Program

The Department's Organized Crime Drug Enforcement Task Force (OCDETF) Program illustrates how (1) the Department proceeded in planning and budgeting for a new Attorney General initiative and (2) limited management support systems hindered program development. The OCDETF Program is the cornerstone of a major initiative, formally presented by President Reagan on October 14, 1982, to attack drug trafficking and organized crime. Justice Department components involved in this program include the FBI, DEA, U.S. attorneys, Criminal Division, the Tax Division, BOP, USMS, INS, and JMD. Several other federal agencies, including the Internal Revenue Service, U.S. Customs Service, the U.S. Coast Guard, and the Bureau of Alcohol, Tobacco, and Firearms, are also involved. In analyzing the Department's planning of the OCDETF initiative, we found that the Department had to overcome obstacles presented by weaknesses in its management support systems. Nevertheless, the Department, due to various factors identified below, succeeded in developing a comprehensive plan for implementing the program and issuing timely guidance to the components involved.

Events Leading to the Development of the OCDETF Program

According to former Department officials, Attorney General Smith assumed office in 1980 believing strongly that drug trafficking and abuse was a major cause of violent crime in the United States. Consistent with that belief, he commissioned the formation of a Task Force on Violent Crime. The Task Force in 1982 issued a report to the Attorney General recommending, among other things, that he form in each U.S. attorney district a Law Enforcement Coordinating Committee to improve coordination among federal, state, and local law enforcement agencies.

Several pressures came to bear in the Department's decision to do more in attacking drug trafficking. According to a former Department official, the Department began receiving views from these committees that the availability of drugs was a major problem in their communities. Another pressure was the influx of drug trafficking to other locales due to the enforcement efforts of the South Florida Task Force, a joint federal, state, and local law enforcement effort established by the President in 1982 to reduce the influx of illegal drugs. Further, state governors requested the establishment of task forces similar to the South Florida Task Force. In addition, according to Department officials, senior management believed that additional law enforcement resources were needed.

Limited Capability at Departmental Level to Develop the OCDETF Program

Our review of the OCDETF Program indicated that the lack of a program policy and planning office initially hindered the Attorney General's ability to carry out his agenda. According to former Department officials, the Attorney General assigned the responsibility for developing the OCDETF Program to the Deputy Attorney General. The Deputy Attorney General initially delegated the responsibility for planning and developing the OCDETF Program to the Office of Legal Policy, which had been newly created in 1981. According to a former Deputy Attorney General and Associate Attorney General, the duty of developing the program was subsequently delegated to the Associate Attorney General because the Office of Legal Policy was not sufficiently "connected" to the other components to effectively develop the initiative. The former Director of the Office of Legal Policy told us that the primary mission of the Office was the coordination of legal policy and not program policy. Further, he told us that he had received insufficient support from top management to effectively carry out the assignment of developing the OCDETF Program. The former Deputy Attorney General confirmed this observation.

Comprehensive Planning Performed for the OCDETF Program

A top official who has been with the Department since the early 1970s described the planning for the OCDETF Program as the first comprehensive plan ever developed by top management. In analyzing the Department's efforts to develop the OCDETF Program, we found that the Department's senior management used a systematic approach that included mechanisms for both direction and control. In the following section, we discuss the key features of the Department's approach.

Program Strategy Developed Centrally

Strategic planning for the OCDETF Program was performed by a small group of senior managers. This group, headed by the Associate Attorney General, was composed of staff from the offices of the Attorney General, the Deputy Attorney General, and the Associate Attorney General. According to the former Associate Attorney General, this core group essentially developed the strategy for the OCDETF Program. The Attorney General and the Deputy Attorney General were involved in key decisions. The Associate Attorney General told us that before the President formally announced the program, the components' involvement was limited to fulfilling the planners' information requests. According to the former Associate Attorney General, the components were not involved in the early development of the program because the planners feared that, if the concept had leaked, the components, who have strong lobbying powers, would have gone out on their own to lobby

for the resources. Further, the planners wanted to make sure that the Department was capable of defending the program effectively before it was formally announced.

The planners initially reviewed previous efforts to combat drug trafficking and their shortcomings. The planners decided that a new drug effort patterned after the South Florida Task Force would be a workable approach. According to a former Associate Attorney General, the South Florida Task Force represented the closest attempt to a unified drug enforcement effort where the federal government had invested substantial resources. However, according to a Department official, the planners were concerned that the new task force would be viewed by the Congress and the press as another bureaucracy which duplicated the efforts of existing law enforcement agencies. To address this concern, the planners decided to incorporate new features which would diffuse probable arguments against its formation. These features included direct control of the program by the Attorney General; direct control of at least the first 2 years of funding by the Attorney General; focus on high-level drug trafficking organizations through improved interagency coordination and cooperation; and the full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to convict traffickers and seize their assets.

We observed that pressure existed for a careful analysis of the proposed program from the White House. According to a memorandum from the Director of the Office of Legal Policy to the Associate Attorney General, a member of the White House staff had expressed concern that the final memorandum on the program carefully analyze how the pieces of the program were to fit together.

Criminal Justice System Viewed As an Integrated Entity

In developing the OCDETF Program, the planners carefully considered the critical interrelationships among the criminal justice components. In reviewing the Department's memoranda, we observed that the planners viewed the criminal justice system as interrelated. As such, they also recognized the need to balance departmental resources. The following statement from a memorandum on the funding request reflects the planners' views.

"We believe if any agency had to request a portion of the resources separately, this balance would be difficult to maintain as some agencies would receive resources for

OCDE and others would not. This program would not succeed if funding is not provided for all components of the criminal justice system. It would be counterproductive for all the investigative agencies to pursue long-term investigations and have insufficient prosecutors to present the cases to the courts or to have no prison space to incarcerate convicted offenders."

The planners assessed the types and number of investigative resources required to complete investigations, the number of prosecutors needed to support the investigations and prosecute the offenders, and the amount of incarceration facilities required for pretrial and post-trial detention of individuals convicted as a result of the program. The planners also assessed the resource requirements of non-Justice participating agencies as well.

Options and Costs Considered

The planners considered various organizational and cost options. These options ranged from a 30-member task force estimated by JMD to cost $2.3 million to a 50-member task force estimated by JMD to cost $3.7 million. Ultimately, because the majority of the planners believed that they needed a broader scope in order to attack a problem of national implications, they decided that 12 task forces, composed of 160 members each, would be needed. JMD estimated that the 160 member task force would cost $8.7 million.

We observed that JMD's Budget Staff played a key role in assisting the planners in costing out the various options. According to Department officials, JMD had no experience in determining financial requirements for this type of effort. Lacking this basic knowledge, JMD asked several components, including the FBI and DEA, to submit a description of their typical proactive, long-term investigations involving organized crime, concentrating on money laundering and drug trafficking. JMD also met with officials of the Department of Treasury to ascertain the costs of personnel they had assigned to the South Florida Task Force.

Administrative Support Considered

In developing cost estimates for the OCDETF, JMD also considered the cost of administrative support. Specifically, in addition to estimating salaries for FBI, DEA, and U.S. attorney professional personnel, JMD also considered the cost of paralegals and FBI clerks to support the professional personnel. Further, JMD also included in its cost estimates the cost of undercover operations, purchase of evidence and information money, travel, permanent change of station, communications, space, supplies and equipment, and other expenses such as vehicle leasing. JMD factored

in funds to modernize the computer operations of DEA and FBI. According to a Department official, both the FBI and DEA had asked in their individual budget requests for funds to modernize their computer operations for both communications and surveillance work. Because this equipment would eventually be used in part to support task force operations, the cost of upgrading the equipment was factored into the OCDETF budget request.

Funding Used As a Tool for Control

Initially, the funding for the OCDETF Program was established as a single appropriation under the direct control of the Attorney General. Participating federal agencies were to be reimbursed for their task force related expenses by the Department. According to a Department official, the Department asked the Congress to set up the appropriation in such a manner for at least 2 years to provide the Attorney General a tool for promoting interagency cooperation and coordination. Specifically, the Deputy Attorney General, in testifying on this issue on December 9, 1982, stated

"A single appropriation will provide the necessary flexibility . . . and assign unquestioned responsibility for the success of this effort. Failure to provide a single source of funding could weaken the effort to coordinate the work of many organizations from the three cabinet agencies comprising the effort."

Implementing Procedures Were Comprehensive and Timely

According to a former Associate Attorney General, the composition of the planning group expanded to involve the components once the budget was approved. The new group, known as the Working Group, was organized to develop a detailed implementation plan and overall policy. The Working Group was composed of a detailee from the Criminal Division, representatives from the participating agencies, and a committee of U.S. attorneys from core cities.

The Working Group developed implementation guidelines that were timely and comprehensive. About 1 month after funding was obtained for the program, the guidelines were issued. The guidelines delineated the agenda for the initiative. Specifically, the guidelines titled "Guidelines for the Drug Enforcement Task Forces" addressed a number of areas, including goals and objectives, general policies regarding personnel assignments and interagency coordination, standards for case selection, designation of coordinators and their duties and responsibilities, size and composition of task forces, housing of task force personnel,

and relations with other DOJ organizations such as the Organized Crime Strike Forces.

Performance Monitoring Information Needs Identified

The Working Group identified the types of cross-cutting information needed to defend the program and monitor performance. A listing of information needs was identified at the inception of the program, and various options for obtaining this information were studied by a special committee of the Working Group. The committee, comprised of representatives from the EOUSA, Criminal Division, JMD, and the Bureau of Justice Statistics, prepared a report on information options dated February 28, 1983. Input was obtained from the investigative agencies. During our review, we found that the Department is obtaining the information identified by the Working Group. As we did not audit the information, we do not know if the information being collected is accurate and consistent. According to a Deputy Associate Attorney General, the information is being used to monitor the program.

As a result of the planning performed for the OCDETF Program, the Attorney General succeeded in establishing an enhanced drug enforcement program and obtaining, during a period of budget austerity, new resources for the Department. The Department successfully defended its budget request to OMB and the Congress. It received a budget of $127.5 million in fiscal year 1983 that included money for federal prison expansion. While we did not perform an in-depth program review of the OCDETF Program, indications exist that the planning performed for the program has been beneficial. DEA, FBI, and U.S. attorney officials we interviewed in three OCDETF cities told us that the program is generally progressing well in their regions.

Support System Weaknesses Affect the Program

Although considerable planning was done for the OCDETF Program, we observed several weaknesses in the Department's management support systems that hindered top management's capability to direct and control the OCDETF Program and may hinder their capability to direct and control other programs. These weaknesses are discussed in the following sections.

- As discussed on page 34 of this report, we found in reviewing the Department's budget formulation process for the OCDETF program in later years that the Department's emphasis on preparing an integrated budget has not been sustained. The components, under the current budget development process, have the responsibility for integrating

their budgets. However, they have not taken the initiative to accomplish this integration as intended. JMD budget analysts have identified this lack of integration and have ensured that the proper mix of OCDETF resources was submitted to the Office of Management and Budget each year. As long as the Department Resources Board continues to have capable analytical support to ensure balanced criminal justice resource requests, the failure of components to take the initiative to integrate budget submissions will not disrupt departmental operations.

- The Department had to develop and maintain a separate reporting system because it could not use existing information systems to obtain the performance monitoring information needed. Much of the information for the program had to be obtained from the U.S. attorneys' offices. However, the Working Group wrote in a report that "Over the years, obtaining full compliance with D&R (U.S. Attorney Docket and Reporting System) reporting requirements by U.S. attorney offices has been a problem; the data submitted by D&R forms have too often been incomplete, inaccurate and untimely."

  The Department's new reporting system includes a consolidated case data system, a personnel timekeeping system, and a monthly narrative report. Task Force Coordinators collect, summarize, and forward this information to Washington, D.C., on special reporting forms designed for the purpose. An administrative unit attached to the Deputy Attorney General's Office summarizes the case monitoring data and prepares the annual report. According to a former Associate Attorney General, the planners were aware of the shortcomings in the Department's information systems and opted to establish a new system because they did not want to wait 2 years (when PROMIS was originally planned to be fully implemented) before being able to have the information required to assess program development. A Deputy Associate Attorney General told us the planners will perform a feasibility study to determine whether the components' existing information systems can now be modified to provide the needed information.

- The OCDETF Program has not been evaluated since its inception in October 1982. At the inception of the program, a departmental committee reviewing evaluation options concluded that the case monitoring and timekeeping systems would not be sufficient to meet congressional needs. The report noted that a more comprehensive evaluation would be required, including before-versus-after studies, special analyses to interpret statistical data, and regular on-site inspections composed of top agency officials. Our review disclosed that regular meetings do occur

with top official involvement. However, the Department, including JMD, has not conducted an independent evaluation of the program. In conducting an independent evaluation, top management would have better assurance that (1) the information it is receiving on the program is accurate and reliable, (2) the program is progressing according to departmental goals, and (3) areas for improvement are identified. As of October 1, 1985, both JMD and GAO were conducting reviews of this program.

Continued Problems Hinder the Attorney General's Ability to Direct and Control Seized and Forfeited Property

The Department's management of its National Asset Seizure and Forfeiture (NASAF) Program illustrates weaknesses in its ongoing capability to plan, implement, and control program operations aimed at achieving departmental goals and objectives. While the Department has taken steps to improve its management of seized assets, problems still exist in planning, funding for forfeiture management operations, and accounting. Furthermore, top management is not being provided with accurate and reliable asset seizure and forfeiture information to monitor the program nationally.

Problems Developed As Seizures Increased

As seizure and forfeiture laws changed and seizures increased, the Department's system for managing and disposing of assets subject to administrative and judicial forfeiture became increasingly inadequate. Furthermore, confusion in custodial management continued; for example, problems developed in responsibilities for arranging and paying for transportation, storage, security, and disposal of seized properties. These problems jeopardized forfeiture litigation and resulted in diminished proceeds from the sale of forfeited properties.[1]

During 1982 and 1983, a number of internal and external audits and evaluations conducted by the Department, GAO, and the Grace Commission found that seizing agencies needed improved planning, policies, and procedures; departmentwide information; more and better trained personnel; funding for the forfeiture management operations; and better inventory controls to manage their forfeiture operations effectively.

The increasing complexity of assets subject to seizure and forfeiture has also presented the Department with new seized property management needs. The Department, through the U.S. Marshals Service, is now handling a bank, horse ranches, farms, and other operating businesses subject to judicial forfeiture, in addition to handling the traditional forfeiture actions involving seized conveyances.

A single forfeiture case can generate an enormously expensive, complicated, and time-consuming workload for a U.S. Marshal. For example, the seizure of a 118-acre horse ranch with 176 show horses valued at $4.7 million is counted as a single seizure, but its property management ramifications are much different from the seizure of a car.

[1] Better Care and Disposal of Seized Cars, Boats, and Planes Should Save Money and Benefit Law Enforcement (GAO/PLRD-83-94, July 15, 1983).

Department's Response to Asset Seizure Problems

The Department, responding to the principal recommendations in the reports, took the following actions:

- established a departmental national asset seizure and forfeiture management organization in the U.S. Marshals Service with responsibility for overall management of seized assets that are subject to administrative and judicial forfeiture,
- established a departmentwide forfeiture case tracking and inventory data collection capability within the U.S. Marshals Service, and
- helped in establishing an Asset Forfeiture Fund (AFF) for funding the forfeiture management operations.

The Department also created the Asset Forfeiture Office within the Criminal Division to respond to requests for legal advice and policy guidance on forfeitures from the U.S. attorneys and investigative agencies. In addition, the Department formed the Subcommittee on Asset Forfeiture to implement the asset forfeiture program and help provide policy guidance and draw together the diverse functions of the components. The Subcommittee, composed of representatives from FBI, DEA, INS, USMS, Criminal Division, JMD, EOUSA, and the Special Assistant to the Associate Attorney General, defined in a Memorandum of Understanding the responsibilities of the various seizing agencies.

Establishment of the NASAF Program

In 1983, the Deputy Attorney General approved the DOJ study recommendation that a National Asset Seizure and Forfeiture Program be created to respond to the Department's asset seizure and forfeiture problems. Up to that time, custodial and property management functions related to seized and forfeited property had been fragmented among several components—FBI, DEA, USMS, and INS. These agencies all had responsibility for seizing, maintaining, and processing administratively forfeited property. Under the Memorandum of Understanding, responsibilities will be transferred in phases from the seizing agencies to the U.S. Marshals Service as resources and personnel are obtained and in place.

The NASAF Program, for the first time, places primary authority for departmental seized and forfeited assets within one DOJ agency—the Marshals Service. By law, the Marshals Service is responsible for monitoring control over the seized property and arranging for and paying the costs of services incidental to the seizure, such as storage, security, and transportation. Federal Marshals also continue to execute orders of the court in both civil and criminal judicial forfeiture proceedings that

direct disposal of seized and forfeited assets. According to a NASAF Program document, its mission is to establish adequate levels of asset management expertise, funding, and information within the Marshals Service in order to provide the Department of Justice agencies with property management and law enforcement support services.

The NASAF Program is a support service to District Marshals. The District Marshals will work in conjunction with NASAF headquarters in Virginia. The 14 field units will manage the overall assets seizure and forfeiture process in order to obtain the maximum "net return" for property sales. The 14 NASAF field units provide technical and staffing assistance to the 94 USMS district offices. Further, the field units compile and maintain information and some financial data on all seized property held in the custody of the Marshals Service. NASAF program field units are to maintain close communications and working relationships with OCDETF personnel on investigations that will lead to, or result in, major asset seizures.

No Detailed Program Planning Before Funding Led to Reduced Resources and Personnel

We reported in a July 1983 report on Better Care and Disposal of Seized Cars, Boats, and Planes Should Save Money and Benefit Law Enforcement (GAO/PLRD-83-94, July 15, 1983) that ". . . Justice should consider measuring the costs of the proposed organization with its benefits to determine cost effectiveness. Justice has not attempted to estimate the costs or the ultimate size of the new organization within the Marshals Service. . . ." We believe a cost benefit analysis should have been part of a program plan for the NASAF Program. However, we found the Marshals Service did not prepare a program plan describing how it would meet the Department's objectives. Without a detailed NASAF Program plan identifying issues, specific tasks, time frames, personnel, resources, and cost/benefits necessary to implement the NASAF Program, the Marshals Service received reduced personnel and resources because it could not justify the NASAF Program needs.

According to the Marshals Service's Assistant Director for Financial Management, the Service submitted a request to OMB in June 1983 for 100 positions and approximately $10.5 million for the yet-to-be-established NASAF Program. However, the Marshals Service did not submit an implementation plan even though the Department had experience in managing past asset seizure and forfeiture activities. An OMB budget examiner said that the Marshals Service budget submission did not convince OMB that the Marshals Service had clearly thought through program implementation. As a result of the Marshals Service's lack of a

comprehensive plan, a compromise figure of 45 positions and $3.1 million was agreed to by the Service, JMD, and OMB to establish a "pilot" NASAF Program. The President's fiscal year 1985 budget supplemental, which was enacted by Congress in August 1985, subsequently provided the U.S. Marshals Service an additional 132 positions and $2.5 million for the National Asset Seizure and Forfeiture Office.

The reduced funding could delay the full implementation of the NASAF Program, as well as the transfer of duties from the seizing agencies to the Marshals Service. According to a Marshals Service Memorandum dated June 22, 1984, ". . . the NASAF Program is a pilot project. That is, the Marshals Service will 'eventually' accept additional custodial responsibilities for administratively seized property only when additional staffing and resource requirements have been identified, obtained, and are in place."

Inadequate Planning for NASAF Program Automated Inventory and Management Information System

We found the Marshals Service did not prepare a comprehensive automated information system plan before the establishment of the automated inventory and management information system. The current automated information system is inadequate because its storage capacity is not capable of meeting its objective of providing departmentwide asset seizure and forfeiture information. We believe that a detailed plan for the NASAF Program would have included support system planning and that the support system information problems could have been foreseen.

Marshals Service officials told us that they completed no detailed automated information system plan because the Department did not know the total volume of seizures, forfeitures, etc., it was experiencing, and the total program was undefined. Therefore, due to resource limitations resulting from inadequate planning and from no one's knowing what was the best or most cost/beneficial system, the Marshals Service decided to purchase personal computers to handle the short-range needs. A Marshals Service official stated the key at the time was to get something started and do an overall needs assessment at a later date. As of August 1985, there has been no effort to develop a formal written assessment of need.

The current NASAF Program property information system for seized and forfeited assets is not capable of providing the Department total information in such areas as inventory of property, appraisal, forfeiture and disposition, and storage location because the personal computers it is

using for this system have limited storage capacity. Due to the limited storage capacity, we believe that the Marshals Service will be delayed in accepting DEA and INS information in fiscal year 1986 and will not be able to provide total information needed to evaluate its program.

The Marshals Service recognizes that the personal computer system needs upgrading. In the Marshals Service Supplemental Budget Estimate sent to JMD for 1985, USMS stated "the need for a seized asset management delivery system is critical. The program is not being effectively managed due to the shortage of resources." The Marshals Service requested $1.3 million to design and develop a centralized seized and forfeited information system utilizing a time-sharing arrangement with a Justice Data Center computer. Subsequently, this funding was deleted. Consequently, the NASAF Program is experiencing delays and has remained in a pilot stage more than 2 years after its inception.

Control Problems in Seizing Agencies Still Exist

We found seizing agencies still have control problems in caring, storing, recording, and accounting for seized assets subject to forfeiture. In 1983, both the Department of Justice and GAO reported that seizing agencies had control problems and lacked the expertise to store, maintain, record information, and account for assets subject to forfeiture. Although the Department took corrective action to respond to these problems by creating the NASAF Program, many of these problems still exist. If not corrected, the Department's ability to manage the NASAF Program will be limited and the government's net return reduced.

Information Management Problems at Components Affect Development of a Departmentwide System

A 1983 DOJ internal report, which addressed the management of seized assets departmentwide, stated that forfeiture operations were conducted without the information needed to monitor, oversee, or evaluate the initiative and recommended that the Department ensure the availability of useful asset seizure and forfeiture case tracking and inventory data. Furthermore, the report stated that useful data would afford policymakers more effective oversight and coordination, enable managers to identify and respond to emerging trends, and provide the Department with the verification needed to justify forfeiture-related resource requests to OMB and the Congress.

We found that information problems still exist with the seized asset and forfeiture information systems at DEA and INS. The Department will have to resolve a number of recordkeeping and management information problems in these components if the Department wants to have a

departmentwide case tracking information system that will enable data from different agencies to be compared or combined.

We believe that the DOJ conclusions still need to be addressed. Although the Department has taken positive steps, such as establishing departmentwide common data elements and definitions for this initiative, these steps will be undermined if the information provided is not timely or accurate. Furthermore, the Department will still not be able to monitor, oversee, or evaluate this initiative unless action is taken to correct the information problems at the seizing bureaus. For example, data collection and reporting at INS' Southern Region, Laredo Sector, and DEA's Dallas Field Division, do not provide managers with summary information about seized assets. The existing management information systems do not readily provide data on the total amount, type, or value of seized assets.

DEA's New York Field Division has made no substantive changes to its recordkeeping systems for seized assets. These systems, composed of inconsistently kept logs for vehicles, cash, and other items, provide no simple way to compile aggregate data on seized assets. Moreover, printouts received from headquarters to confirm what DEA actually has in custody have not been reconciled with the physical inventory.

Accounting for Seized Assets Remains a Problem

The control and accounting for seized assets remains a problem because the JMD accounting system does not provide accurate and timely data. The Department has recognized the problems in this area and, in conjunction with its efforts to comply with the Federal Managers' Financial Integrity Act of 1982, it reported in its 1983 and 1984 assurance letters to the President and the Congress that controls over seized assets are a material weakness.

The Department faces growing responsibilities for accounting for seized assets due to their complexity and because a separate fund will be appropriated to provide funds to manage and dispose of seized property. In an effort to provide agencies greater financial incentives to maintain seized property, the Congress enacted the Comprehensive Forfeiture Act of 1984 (P.L. 98-473), authorizing the establishment of a special Assets Forfeiture Fund for the Department of Justice. The Fund will be credited with forfeited cash and proceeds of sales of forfeited property. The Marshals Service will be responsible for the administrative control of the fund.

We believe that the Marshals Service's ability to control the fund will be hindered unless the Department establishes departmental financial policies, defining and standardizing all cost information that components must gather. Without such policies, seizing agencies will have no basis for charging standard costs against the fund.

For example, in DEA's Los Angeles divisional office, reconciliation of headquarters and field records for seized money, obligations, and expenditures were found to be backlogged as much as 2 years. Furthermore, we found that when seized assets were being stored on government leased property, neither DEA nor INS were allocating the government's storage costs against the sale of these assets. Currently, some of the governmental seized assets costs are charged to the seizing agencies' operating expenses, which are appropriated from the Treasury. Once the AFF is appropriated, seizing agencies should charge those identifiable seized asset costs to the AFF. We believe that DEA and INS are missing opportunities to recover government appropriations for these expenses and should take immediate action to ensure storage costs for leased space are allocated against the sales revenues of any seized asset. Furthermore, we found that no standardized method within the seizing agencies for allocating storage costs for leased space. We brought this point to the attention of Marshals Service officials. They confirmed that no policies and procedures ensure that seizing agencies account for costs in a standardized manner.

The Marshals Service should assist the JMD in overseeing the development of accounting procedures for the fund to ensure that seizing agencies treat and record all costs charged against the fund identically and in a standardized manner.

Devaluation of Seized Assets Occurs Due to Lack of Care and Maintenance, Aging, and Theft

Continued departmental oversight of non-drug seized assets is needed because conveyances are still allowed to devalue at INS and DEA due to aging, lack of care, maintenance, and theft. Limited maintenance on certain seizures could (1) reduce the return to the government by decreasing the amount the forfeited property can be sold for or (2) subject the government to law suits by owners for inadequately caring for and maintaining the seized property.

We reported in July 1983 that seized conveyances should be properly preserved not only to return the highest value to the government for forfeited conveyances but also to preserve the conveyances as much as

possible in case they are returned to the owners. Although the Department has taken corrective action in a number of these areas, our field work disclosed that more preservation could be done at INS and DEA and that the Department must do a better job of maintaining administratively seized conveyances. For example, in INS' Southern Region, we found seized boats deteriorating with little protection from theft or the elements. An INS official told us that some seized boats have begun to sink due to little or no maintenance and the lack of funds to provide proper security, care, and maintenance. At one INS Border Station in Miami, Florida, we found thieves had broken through a chain link fence and stolen three motors.

In a DEA storage facility at Bell, California, our visit disclosed vehicles unlocked, tires not inflated, and fluid tanks leaking. DEA officials said they did not have the staff to maintain the seized vehicles. Furthermore, the recordkeeping system could not readily provide information on how many vehicles were on hand or how much they were worth (appraised value).

We believe that the Department needs to take action to protect seized conveyances that are depreciating or deteriorating due to the lack of proper care, maintenance, theft, and unnecessary exposure to the elements. The Assets Forfeiture Fund will provide agencies the incentive for properly securing and maintaining the seized conveyances because agencies no longer will have to use their own appropriated funds to maintain, care, and store the conveyances.

The Collection of Debts Owed the Government: Management Support System Problems Hinder Direction and Control

The Department's efforts to improve its litigation process for debts owed the federal government illustrate how weaknesses in the ongoing policy management and information systems can hinder its ability to guide its components, monitor performance, and hold officials accountable. Since OMB issued a report in 1981 detailing problems in the DOJ's litigation process for collecting debts, the Department has devoted greater attention to improving its debt collection activities. However, the Department continues to have difficulty developing adequate plans at the departmental and component levels to carry out departmental goals, developing departmental policies and procedures, and monitoring the effectiveness of the collection function departmentwide. This situation exists, in part, because the Department has (1) a limited planning and policy management capability at the departmental level and (2) problems obtaining accurate, timely, and complete information on the collection of legal process debts.

OMB Identified Problems With DOJ's Litigation of Debts

OMB's Debt Collection Project reported in 1981 that the Department's litigation process for legal process debts was basically slow, ineffective, and inefficient. In this report, OMB noted that it found a wide range of problems including (1) large backlogs of cases, (2) inadequate staffing and training of personnel, (3) lack of adequate systems for tracking and processing cases, (4) inconsistent and inadequate policies and procedures, and (5) a historic lack of management attention to collections. Furthermore, OMB concluded that it was impossible to determine the full extent of the problems in the litigation process since an accurate estimate of workload and dollars throughout the network of U.S. attorneys' offices could not be determined. One of OMB's recommendations to the Department was to establish a permanent position at the departmental level to supervise and coordinate debt collection activities departmentwide. OMB asserted that such a position was needed to provide the long-term and ongoing commitment to ensure that collection problems are adequately addressed and resolved, coordinate the continued development of departmental policies and procedures for debt collection, and monitor the effectiveness of the collection function departmentwide. OMB directed the Department in 1981, and again in 1983, to prepare plans outlining the Department's objectives for correcting its management weaknesses.

DOJ Establishes Commitment to Improve Debt Collection Activities

In response to the President's increased emphasis on debt collection and OMB's criticisms, Attorney General Smith announced his commitment to a prompt and aggressive effort to resolve the problems that had hampered the Department's litigation of debts. The Department established a Debt Collection Team, which is headed by the Assistant Attorney General for the Civil Division and includes the Assistant Attorney General for Administration; the Lands, Tax, and the Criminal Divisions; the Director of the Executive Office for U.S. Attorneys; a special assistant to the Attorney General; and a member of the Deputy Attorney General's staff. According to the Department's 1981 plan, this team has departmentwide authority for carrying out the Department's responsibilities for (1) litigating cases to collect debts referred by other federal agencies and (2) collecting money for civil and criminal debts owed the United States directly as a result of litigation. Day-to-day responsibility for coordinating and implementing debt collection activities is assigned to a Deputy Assistant Attorney General in the Civil Division.

The Department has prepared two departmental plans—a 1981 and a 1983 plan—for improving debt collection activities. The Department's 1981 plan outlined two basic goals: (1) increase the speed of collecting delinquent debts and (2) increase the rate of collection. Among other things, the Department's 1981 plan included objectives to provide executive direction and oversight to U.S. attorneys in conducting their debt collection activities and to develop collections goals for each U.S. attorney's office. The Department's 1983 plan generally discussed its progress in accomplishing certain objectives presented in the 1981 plan. The 1983 plan included an objective, which has subsequently been implemented, to establish a system known as the lock box system to expedite collection. Under this system, the Department daily deposits collections directly to the Treasury.

Department's Plans Excluded the Legal Divisions

The Department did not develop debt litigation improvement plans that were departmentwide in scope. In reviewing both the Department's 1981 and 1983 plans to improve the litigation of debts, we found that the objectives focused primarily on the U.S. attorneys and did not include the legal divisions, which also have a key role in the collection of legal process debts. A Department official acknowledged that the Department's planning has not been performed on a departmentwide basis. He told us that the Department's strategy was to focus initially on improving operations in the U.S. attorneys' offices because these offices perform most of the litigation work.

While we recognize that the U.S. attorneys' offices do litigate most of the Department's debts (about 75 percent), we believe that Justice, in order to improve the litigation process departmentwide, should have included the legal divisions in its improvement plans. The legal divisions, according to the Department's figures, have an inventory of about $336 million in unpaid debts (about 25 percent of the Department's receivables) as of September 1984. Further, the divisions have responsibility for monitoring some collection activity in the U.S. attorneys' offices and significant fragmentation in the Department's collection function has been identified as a problem by OMB. Legal division collection personnel told us that the legal divisions were not required by the Department to develop plans to ensure the implementation of the Department's goals and that they were unfamiliar with the Department's plans. We believe the Department, in having a plan that excluded the legal divisions, missed an opportunity to (1) improve the collection function departmentwide and (2) have a better basis for holding the legal divisions accountable.

Oversight Responsibility Not Effectively Assigned

Another problem we noted in the Department's initiative to improve its litigation of debts involves the unclear assignment of oversight responsibility. To facilitate the implementation of departmental goals, responsibility for oversight should be clearly assigned. OMB, in a memorandum to the Department, stated that a permanent position at the departmental level was needed to oversee the correction of management problems because top management support historically is temporary in nature. Although the Department formed a multi-component Debt Collection Team to oversee the coordination and implementation of departmentwide debt collection activities, we found that the Team had not met collectively as of late September 1985. According to a Department official, they did not see the need to convene the Team in any meetings. According to the Department official, the Assistant Attorney General for the Civil Division is the primary oversight official; however, it is unclear whether he is authorized to direct the action of other components involved in the debt collection initiative and to hold these components accountable. The Department official expressed the belief that no one is currently exercising oversight departmentwide for the debt collection program.

Although the Department has corrected certain management problems, it has not corrected others. With a Debt Collection Team that is relatively inactive as a group, the Department is not using the Team for the purposes for which it was established—to provide a long-term, ongoing,

departmentwide focus. Further, with questions as to the Assistant Attorney General's oversight authority, the Department is not maximizing its ability to ensure that corrective action is taken promptly and effectively.

Departmentwide Policies and Procedures Not Yet Issued

Nearly 3 years after its original milestone date, the Department has not issued departmental policies and procedures. In a 1981 report, OMB observed that the Department's debt collection policies and procedures were inadequate and inconsistent. The report stated that "The Department should develop, as soon as possible, definitive collection policies and procedures for use by U.S. attorneys and the various Justice Divisions and offices involved in collections." In its 1981 plan, the Department stated that it should have a Department of Justice Manual prepared by September 30, 1982. According to the Department, the manual will include guidance for both the legal divisions and the U.S. attorneys' offices and will be the central repository for definitive departmentwide debt collection policies and procedures.

In reviewing the Department's 1983 plan, we found no further discussion of this objective. A Department official told us that the EOUSA had been assigned responsibility for developing the manual because no other component had sufficient staff to undertake this responsibility. In following up on the status of the manual with EOUSA, we were told by an EOUSA staff member that the EOUSA is preparing a section on debt collection that will be added to the U.S. Attorneys' Manual. An EOUSA official told us that the EOUSA underestimated the massive amount of work that would be involved in this effort and attributed the missed completion date to that fact.

Without departmental policies and procedures, the offices and divisions responsible for debt collection activities will continue to experience difficulties implementing the Department's goals. OMB noted in its 1981 report that the reason why policies and procedures were not uniform was because no departmental entity coordinated the policies and procedures issued by different Justice organizations, including the legal divisions. Both OMB and GAO have observed confusion among U.S. attorney collection personnel regarding their responsibilities for the collection of legal process debts. In our report[1] on the collection of criminal fines, we found that the U.S. attorney collection units did not identify and record

[1] After the Criminal Fine Enforcement Act of 1984—Some Issues Still Need To Be Resolved (GAO/GGD-86-02, October 10, 1985).

about 40 percent of the 2,350 criminal fine cases sampled. We attributed this deficiency to (1) informal and ineffective procedures for notifying U.S. attorney collection units of fines and (2) inconsistent Justice procedures regarding the collection units' responsibility for tracking and accounting for fines. We reported that the units' failure to record fines enhances the likelihood these cases will escape collection.

Weaknesses Exist in U.S. Attorneys' Planning Processes

To implement one of the objectives in the Department's 1981 plan, the EOUSA directed in December 1983 that each U.S. attorney's office develop individual debt collection plans. These plans were to include policies, procedures, and goals for the office. Specifically, the plans were to provide quantitative fiscal year goals for cash recoveries, total net accounts receivable, and costs to collect. According to the EOUSA's memorandum, these plans were needed because the Department's goals can be achieved only if the U.S. attorney collection personnel understood the Department's plan as it related to their day-to-day collection work. As of August 1985, eight U.S. attorneys' offices had not submitted plans. This situation may have occurred because the EOUSA, in its memorandum requesting the plans, did not set a deadline for submitting the plans.

The EOUSA received plans from five of the six U.S. attorneys' offices we reviewed; however, these plans were submitted 9 to 11 months after the memorandum directing them to submit plans was issued. Further, two of the five plans submitted did not include quantitative goals. One office that had quantitative goals in its plan considered these goals very unreliable. U.S. attorney collection personnel informed us that they could not establish collection goals because they had difficulty obtaining quantitative information. An EOUSA official told us that there has been limited follow-up of the U.S. attorneys' debt collection plans due to insufficient staff to conduct performance monitoring and the small amount of time that has elapsed since the debt collection plans had been submitted. Limitations in the EOUSA's planning and oversight capability hinders (1) the timely and effective implementation of the Department's goals and (2) the use of the U.S. attorneys' plans as a tool for holding U.S. attorneys' offices accountable for improving the litigation of legal process debts.

Information Problems Hinder Performance Assessment and Control

The Department does not have accurate, timely, or complete information to effectively monitor the performance of all its components involved in the collection of legal process debts. Information collected from the 94 U.S. attorneys' offices has had longstanding accuracy problems, and limited information has been routinely collected from the Department's legal divisions. As a result, the Department is unable to (1) rate the collections efforts of its U.S. attorneys' offices and (2) provide the Congress and OMB the necessary information to assist them in assessing the Department's efforts.

Information Management Problems Persist

In its 1981 report, OMB reported that the Department did not have critical information on its legal process debts and that it used two different reporting systems to collect information that was generally unreliable and inaccurate. OMB further noted that one reporting system, the Docket and Reporting System, is very cumbersome, labor intensive, and time-consuming. U.S. attorneys must prepare and mail to the Data Center in Washington, D.C., a docket card for each matter, case, or complaint with any action or change of status. The Center processes docket and activity cards monthly and mails printouts back to the U.S. attorneys' offices for verification. According to OMB, the data are stale by the time they are assembled and available in a usable format. In a 1981 memorandum to the Department, OMB stated "MIS and automation problems are the most pressing issues facing DOJ and PROMIS provides the best immediate answer to this problem. No long-term solutions are possible without a reliable data base and productivity is very unlikely to increase appreciably without significant automation."

The Department does not have a comprehensive management information system on its legal process debts. The majority of U.S. attorneys' offices still use the Docket and Reporting System. U.S. attorneys' management and financial information is provided by three separate systems—the Docket and Reporting System, the Prosecutors' Management Information System, and the U.S. Attorneys' Case Tracking System—in addition to separate systems within the legal divisions and JMD. We found that the Department is unable to obtain departmentwide key management information on its legal process debts, such as the rate of collections and the cost of collections, because no one within the Department has established standard management requirements for the U.S. attorneys' offices and the legal divisions. JMD, in 1984, requested all Department components to submit monthly financial information reports to it beginning with the January 1985 collection activity. We found that only one legal division essentially complied with this request.

Legal division personnel in two of the divisions that did not comply told us that they did not have the capability to comply or did not view compliance as necessary. Although the EOUSA submitted reports to JMD, the reports did not provide certain information requested, such as an aging of receivables, due to programming limitations. In June 1985, JMD sent revised reporting requirements, effective starting in October 1985, to DOJ legal divisions and the EOUSA for their review and comments.

The Department recognizes that it has problems obtaining accurate and complete information on legal process debts. EOUSA officials estimate that conversion to the PROMIS system, which was originally planned to be completed by October 1984, will not be completed until 1987. EOUSA officials, however, told us this date may be further delayed if funds are not available. EOUSA officials attributed the delay in converting to PROMIS to a range of problems including difficulties by the contractor developing software. According to EOUSA officials, information on legal process debts is not complete because U.S. attorneys' offices converting to PROMIS have discontinued reporting information to the EOUSA until they are fully converted, and other districts already on PROMIS do not have the technical capability to meet all reporting requirements.

Justice's Information Weaknesses Affect Performance Assessment

In its 1981 plan, the Department stated its objective to produce a method for rating the collections efforts of the various U.S. attorneys' offices. The Department later reported in 1983 that this objective is off schedule because the Department is unable to generate the computer software to produce such ratings. Several Department officials stated that reliable information is not available to assess and hold U.S. attorneys accountable for their performance. In addition, we observed that the Department is not able to assess the debt collection performance of the legal divisions because limited information has been collected from these divisions.

The Department's information problems hinder not only its own efforts to assess debt collection performance but also the monitoring efforts of OMB and the Congress. OMB has been working with the Department as part of its governmentwide management improvement efforts to evaluate the effectiveness of debt collection litigation and to determine resource requirements. However, OMB has had difficulty assessing the Department's collection efforts due to the discrepancies in caseload information reported by DOJ and the referring agencies. OMB has been unable to reconcile information reported by DOJ and other federal agencies. In addition, a report by the Senate Committee on Governmental

Affairs has questioned DOJ's ability to handle the increase in debt collection workload, particularly from recent Department of Education referrals. Legislation was introduced in Congress for the retention of private counsel to assist DOJ in litigating debt collection cases. Accurate information on the cost and effectiveness of the Department's debt collection efforts will be necessary for the Congress' consideration of the proposed legislation. To ensure that Department efforts to improve debt collection are sustained, better information and performance monitoring of all components involved in debt collection is needed.

Advance Comments From the U.S. Department of Justice

Note: GAO comments supplementing those in the report text appear at the end of the appendix.

See comment 1.

U.S. Department of Justice

Washington, D.C. 20530

DEC 9 1985

Mr. William J. Anderson
Director
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

This letter responds to your request to the Attorney General for the comments of the Department of Justice on your draft report to the Chairman of the Senate Committee on Governmental Affairs entitled "Better Management Processes Would Enhance The Attorney General's Ability to Oversee The Justice Department's Operations." The report recommends that the Attorney General clearly assign responsibility for the general management functions needed to support an integrated management system and suggests three options for consideration. The report also presents recommendations for improving the management systems used to plan, coordinate, and direct departmental programs and assess the appropriate distribution, use, and control of resources.

The basic theme of the GAO report is that the Department of Justice needs a Department-level policy/planning/management entity. The rationale for this recommendation, simply stated, is that past efforts at centralized planning and management have not worked for reasons given in the report, including the fact that planning and management have historically been too decentralized. The report identifies a number of problems and weaknesses in the Department's management systems which have affected the ability of previous Attorneys General to achieve their policy and program priorities. As GAO notes, many of these management shortcomings are inherent in the largely decentralized environment which has characterized the Department. Attorney General Meese has already acted to begin to correct many of the deficiencies cited in this report with the establishment of the Department Resources Board (DRB) which is mandated to develop an integrated management system. The major functions assigned to the DRB include: strategic/long-range planning and policy development; program development; resources guidance and budget formulation; evaluation of policy implementation; development of departmental standards for performance and productivity measurement; and implementation of the President's Management Improvement Program. The creation of the DRB is consistent with the findings of the GAO report.

The Department is in general agreement with the thrust of the report. There are some factual inaccuracies and misrepresentations that should be corrected in the final report; these are provided as an enclosure.

The Department strongly agrees with the recommendations to integrate the budget and management planning processes; to improve the budget formulation process; to improve management of the Department's information resources; to develop and implement a departmental financial management plan; to place emphasis on program effectiveness reviews for decisionmaking; and to ensure implementation of the management and productivity improvement program. Furthermore, it is agreed that there should be improved planning and coordination in the areas of audit and evaluation. At this point it is important to note that the Department has been moving ahead, or has plans to move, in all of these areas.

As the GAO report notes, a Policy and Planning Office has been formed in the Justice Management Division to address a broad range of management improvement issues, including those described in the report. This office is managing the implementation of the Department of Justice Management and Productivity Improvement Program, announced by the Attorney General on September 16, 1985. The first step in the Program was the development of the Management and Productivity Improvement Interim Plan. This document was submitted to the Office of Management and Budget in November 1985; it references accomplishments and ongoing management improvement efforts being undertaken at the Department. The Plan includes over 70 initiatives, including specific projects addressing case management, financial systems (including A-127 implementation), strategic planning, automated information systems planning, program evaluation, performance measurement, performance appraisal, productivity improvement, and position management. We are currently planning the formal integration of management and productivity improvement initiatives into the budget process effective with the FY 1988 budget cycle.

GAO has addressed various components of the Department's Financial Management System throughout this report. The report discusses financial information in a fashion that is not reflective of the current state of financial planning in the Department. More accurately, the final report should indicate that a consolidated strategic plan to develop an integrated financial management system was issued in September 1985.

The report states that GAO supports the establishment of an Inspector General in the Department or, at a minimum, a reorganization so that the audit group reports directly to the Attorney General. In the Department's view, the Audit Staff already has the organizational independence and authority necessary to effectively conduct and coordinate audit efforts within the Department. No benefit is to be gained by establishment of an Inspector General or a reorganization of the audit function. Furthermore, the Department has enumerated its concerns repeatedly in response to Congressional and GAO proposals for a DOJ Inspector General. Consequently, the Department remains opposed to this recommendation.

GAO states that numerous problems were determined to exist in the National Asset Seizure and Forfeiture program (NASAF) and quotes a 1983 DOJ report in justifying its comments. Since the NASAF program began operation in FY 1984, the report

should appropriately note several significant steps taken in 1984 and 1985 to correct these deficiencies. The DOJ Forum for Cooperative Strategy's Subcommittee on Asset Forfeitures completed an interagency operating agreement, which specifically sets forth the responsibilities of each DOJ entity in the forfeiture area, and prepared numerous guidelines, regulations, and policy subsequently approved by the Attorney General. The Subcommittee has served as an effective mechanism for the coordination and cooperation among DOJ components and meets on a regular basis. Uniform reporting forms and procedures have been adopted, as well as criteria for seizure. The Federal Bureau of Investigation, the Drug Enforcement Administration, the U.S. Attorneys, and the U.S. Marshals Service have developed, or are in the process of developing, comprehensive operation manuals for their personnel. These components have also been conducting joint training sessions in the area of forfeiture and seizure. GAO should recognize that these and other actions within the last two years have dramatically improved the management of the NASAF program.

The GAO report presents three options to strengthen central management in the Department. The Department must defer endorsing any of the options until we have had the opportunity to do a more complete review.

The creation of the Department Resources Board, the establishment of the Management and Productivity Improvement Program, and the integration of the budget and management planning processes for FY 1987 have created momentum in the Department toward the general thrust that underlies the report.

We appreciate the opportunity to respond to your report while in draft form.

Sincerely,

W. Lawrence Wallace

W. Lawrence Wallace
Assistant Attorney General
for Administration

Enclosure

The following are GAO's comments on the U.S. Department of Justice letter dated December 9, 1985.

GAO Comments

1. The enclosure contained technical corrections which have been addressed in the body of the report, where appropriate.

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